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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/EGOLD/2022/99

February 22, 2022

SEBI CIRCULAR - STANDARD OPERATING GUIDELINES FOR THE VAULT MANAGERS AND DEPOSITORIES – ELECTRONIC GOLD RECEIPTS (EGRs) SEGMENT

DPs are advised to refer to SEBI Circular no. **SEBI/HO/CDMRD/DMP/P/CIR/2022/19** dated February 14, 2022, regarding **Standard Operating Guidelines for the Vault Managers and Depositories – Electronic Gold Receipts (EGRs) segment** [refer Annexure].

DPs are further advised to note that the Operational modalities as mentioned in the above SEBI circular will be informed separately.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk**: on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Sheron Sawant
Sr. Manager - Operations



CIRCULAR

SEBI/HO/CDMRD/DMP/P/CIR/2022/19

February 14, 2022

The Managing Directors / Chief Executive Officers
All Registered Vaults Managers
All Registered Depositories

Dear Sir / Madam,

**Sub: Standard Operating Guidelines for the Vault Managers and Depositories -
Electronic Gold Receipts (EGR) segment**

1. Securities and Exchange Board of India (Vault Managers) Regulations, 2021 has been notified in the Official Gazette of India vide notification no. [SEBI/LAD-NRO/GN/2021/61](#) dated December 31, 2021.
2. In order to ensure ease of compliance for the market participants in the EGR ecosystem as well as effective implementation of the Regulations, Standard Operating Guidelines under Regulation 28 of SEBI (Vault Managers) Regulations, 2021 read with Regulation 97 of SEBI (Depositories and Participants) Regulations, 2018 are being issued. The Standard Operating Guidelines are laid down in **Annexure-1**.
3. As per Chapter IV of the Vault Managers Regulations, the Vault Managers are mandated for creation and extinguishment of EGR. The modalities for deposit of gold, creation of EGR, withdrawal of gold and extinguishment of EGR are stipulated in **Annexure-2**.
4. This circular shall come into force with immediate effect.
5. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of



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Securities and Exchange Board of India

investors in securities and to promote the development of, and to regulate the securities market.

6. This circular is issued with the approval of the competent authority.
7. This circular is available on SEBI website www.sebi.gov.in under the category “Circulars” and “Info for Electronic Gold Receipts”.

Yours faithfully,

Naveen Sharma
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Commodity Derivatives Market Regulation Department
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Annexure-1

The Standard Operating Guidelines for the Vault Managers and Depositories are as follows:

1. Financial Security Deposit (FSD)

1.1. Quantum

- 1.1.1. The Vault Manager shall furnish FSD of Rs. 10 lakhs to any one of the two Depositories (viz. NSDL or CDSL) before obtaining a certificate of registration from SEBI. This is the minimum amount of FSD which has to be maintained with Depository at all points of time.
- 1.1.2. The FSD shall be either in the form of cash, bank fixed deposits or bank guarantees or any combination thereof, without applying any haircut.

1.2. Use of FSD

- 1.2.1. The Depository shall put in place a procedure to utilize the FSD for compensating the aggrieved client, in the following situations:
 - 1.2.1.1. for any such losses caused to a client that have been appropriately established by the Depository against the Vault Manager;
 - 1.2.1.2. in case of loss arising from any action or inaction of the Vault Manager that prevents the client from exercising, in whole or in part, their rights while availing vaulting services.
- 1.2.2. In case of utilization of FSD by the Depository, in part or full, the Vault Manager shall replenish the FSD within seven working days.
- 1.2.3. The FSD maintained by a particular Vault Manager shall be used by the Depository to settle claims against that Vault Manager only.
- 1.2.4. The FSD maintained with a particular Depository by the Vault Manager shall also be made available to the other Depository for settlement of claims.
- 1.2.5. The settlement of claims shall be done by the Depositories on a pro-rata basis.



For example: If a Depository has established loss to its client equivalent to Rs 12 lakhs against a Vault Manager and the other Depository has established loss to its client equivalent to Rs. 8 lakhs against the same Vault Manager, then the FSD shall be utilized for settling claims of both the Depositories on proportional basis i.e. Rs 6 lakhs and Rs 4 lakhs respectively.

- 1.2.6. Any discrepancy noted/ claim received from a client by any of the Depositories shall be brought to the notice of other Depository as and when such claim is received or discrepancy is noted or also through a mutually agreed report format mentioning therein the details of discrepancies/claims received, on a quarterly basis, irrespective of invocation of the FSD during the said quarter.
- 1.2.7. Upon surrender of registration by the Vault Manager to SEBI, the FSD can be released after six months from the date of cancellation of registration or upon settlement of all claims, to the satisfaction of the Depository, whichever is later. In case all claims, if any, outstanding against a Vault Manager are settled before the completion of six months period (from the date of cancellation of registration), FSD may be released as per the discretion of the Depository.

2. Corporate Governance

- 2.1. The Vault Manager shall designate one of its employees as a Compliance Officer who would be responsible for monitoring the compliance with relevant Acts, rules and regulations, notifications, guidelines and circulars issued by relevant authorities from time to time. The Compliance Officer would also be responsible for ensuring that all applicable norms are followed by the Vault Manager and should issue a declaration to that effect to the Depository for every quarter, within seven working days from the end of the quarter.

3. Infrastructure/safekeeping features

- 3.1. The Vault Manager shall ensure the following with respect to the recognized vaults:



- 3.1.1. The recognized vaults shall be under the absolute control of the Vault Manager. In case of a leased property, the Vault Manager shall hold a direct lease for at least three years and it shall be ensured that no third party including the owner/lessor of the recognized vault has any role to play in the operations of the said recognized vault.
 - 3.1.2. The recognized vaults are well connected with rail and/or road networks and have sufficient space for parking and movement of loading/ unloading vehicles. The vaults must be accessible by armoured vehicles.
 - 3.1.3. The recognized vaults shall have strong rooms of adequate usable size for storage and handling of gold. The strong rooms must be of adequate strength to ensure protection from possible threats, such as, fire, theft, burglary, etc.
 - 3.1.4. The gold deposited for creation of EGRs shall be stored in separate racks providing clear-cut demarcation of EGR business from its other businesses. The storage area within the recognized vault shall be free from materials which may adversely affect the quantity or quality of gold.
 - 3.1.5. There must be an electronic balance or any other similar balance in each recognized vault for weighing the gold.
 - 3.1.6. The recognized vaults shall have communication link with the nearest police station.
- 3.2. The Vault Manager shall ensure that the recognized vaults are physically and operationally suitable for proper storage of gold and have the following minimum safety and security features:
- 3.2.1. CCTV (Close Circuit Tele Vision) monitors
 - 3.2.2. Indoor and Outdoor IR (Infra-Red) Cameras
 - 3.2.3. Sensors: Vibration, Smoke, Movement etc.
 - 3.2.4. Panic Switches and Alarm Systems
 - 3.2.5. Recoding systems such as DVR (Digital Video Recording) System and have DVR located in a secured place/ area (pre-vault Area/Packing Area) under lock and key.
 - 3.2.6. Interlocking doors in the premises to reach the strong rooms - Mantrap
 - 3.2.7. Interlocking Panel for steel doors
 - 3.2.8. Electromagnetic locks for steel doors
 - 3.2.9. Control Panel with auto dialer



- 3.2.10. Video Door Phone/ Biometric Sensor
 - 3.2.11. Metal detector
 - 3.2.12. Steel Fabricated Strong Room (SFSR) or Additional RCC wall, roof and floor of adequate thickness
 - 3.2.13. HSD (High Security Door) with Grill Gate with combination, mechanical and timer locks (Steel Door with 2 mechanical locks may be used in low risk areas) used to Control Access to Vault
 - 3.2.14. Doors feature with high security locking mechanism and equipped with a spring or hydraulic automatic door closure
 - 3.2.15. Adequate number of armed and unarmed security personnel at the vaulting premises. The armed guard shall have an active and a valid gun license.
 - 3.2.16. Fire-fighting equipments installed within the premises, fire escapes and fire hydrant points clearly marked.
 - 3.2.17. Non-functioning items reported to Security and repaired /replaced immediately or as earliest as possible.
- 3.3. The Vault Manager shall put in place, necessary policies, control and system for dealing with the risks that may arise due to its businesses, other than EGR related business.
- 3.4. The Vault Manager shall have systems for real time tracking of gold, underlying EGR, starting from the time of deposits till the time of withdrawal of the underlying gold from the recognized vault.
- 3.5. The Vault Manager shall have systems for recovery and backup of data to prevent loss of electronic data.
- 3.6. The abovementioned norms are the minimum requirements which the Vault Managers are required to ensure for compliance by the recognized vaults. The Vault Manager may have additional requirements in place for running their operations related to EGR, without diluting the above minimum requirements.

4. Insurance

- 4.1. The Vault Manager shall take insurance, to fully cover the value of the gold stored in the recognized vaults, against all potential perils relevant to gold for which insurance cover is available.



- 4.2. The Vault Manager shall take insurance to cover the risk from theft, fire, burglary, fraud, negligence and *force majeure* events. They shall also take Fidelity Guarantee and Crime Insurance and Professional Indemnity Cover to cover all potential losses.
- 4.3. The Vault Manager shall undertake to buy insurance cover against terrorism, for recognized vaults located in areas which are notified under the Armed Forces Special Powers Act (AFSPA).
- 4.4. The value of gold to be insured should be marked to market on replacement value on an ongoing basis.

5. Reconciliation between Depository and Vault Manager

- 5.1. The Depository and the Vault Manager shall devise procedures for carrying out reconciliation between the stock of physical gold deposited with the recognized vaults and the corresponding electronic record of EGRs in the Depository system. The reconciliation should be done at the end of day on a daily basis.
- 5.2. In case the reconciliation is not confirmed by the recognized vault at the end of day, the Depository shall not allow requests for fresh deposits into or withdrawal from the concerned vault.
- 5.3. In case of any discrepancy between the stock of physical gold and the electronic record of EGRs, the Depositories, in coordination with the Vault Manager, shall identify and resolve such discrepancies at the level of the recognized vault. The Depository and the concerned vault shall strive to resolve such discrepancies before the start of the next trading day. However, in case of any delay in resolution, the Depository shall disallow any fresh deposit of gold into or withdrawals from the concerned vault. If one Depository disallows fresh deposit into or withdrawal of gold from a particular recognized vault, the other Depository should also take similar action for that particular recognized vault.
- 5.4. The Depository shall report to SEBI the details of discrepancies and action taken there on to resolve such discrepancies on an immediate basis.
- 5.5. In case of any technical issues involved or observed in the process of reconciliation, the Depository and the Vault Manager shall ensure



reconciliation via email or any other similar means recognized under Information Technology Act, 2000 or rules framed thereunder.

6. Storage and other related charges

6.1. Levy

- 6.1.1. The Vault Managers shall determine storage charges, delivery charges and other related charges and disclose them on their website. The information about the same shall also be made available on the website of the Depositories.
- 6.1.2. In case the Vault Manager decides to revise any of its charges, it shall inform the market participants about the same before fifteen working days of the effective date of such revise charge. The Depositories, after receiving information regarding revision in charges from a Vault Manager, shall also intimate the revised charges of the said Vault Manager to all the existing clients.

6.2. Collection

- 6.2.1. The Vault Manager shall raise the invoice and collect the storage charges on a monthly basis from the Depositories. The Depositories shall, in turn, collect the storage charges from the beneficial owner at the end of the month or on sale of EGR or on withdrawal of gold by the beneficial owner, whichever is earlier. In case of inter-Depository transfer of EGRs due to sale of EGR, the storage charges shall be settled between the two Depositories on mutual understanding. The charges collected by the Depository for each month shall be credited to the account of the concerned Vault Manager within seven working days of the succeeding month.
- 6.2.2. The Depository shall deposit and maintain the storage charges received by it pertaining to the Vault Managers in a separate account.
- 6.2.3. In case of any request for withdrawal of gold from the vault is received from the Beneficial Owner (BO) in the depository system, the Depository shall not process the request until the storage charges due from the BO are fully received by the Depository.



6.2.4. The deposit, delivery and other related charges shall be collected by the Vault Manager directly from the depositor/beneficial owner during the deposit and physical withdrawal of gold.

7. Procedure in case of Default in payment of storage charges

7.1. In case of default in payment of storage charges by the depositor/BO, the procedure, as may be specified by the Depository, shall be followed.

8. Procedure for ensuring safety of the gold from fire, theft, burglary etc.

8.1. Risk management

- 8.1.1. The Vault Manager must have processes to periodically inspect the physical systems of its recognized vaults with a view to preserve the gold against which it has issued EGRs.
- 8.1.2. Inspection staff must be independent of the employees/ staff deputed at the vault which is being inspected.
- 8.1.3. The Vault Manager shall ensure to maintain records of all persons entering into and exiting from the vault premises.
- 8.1.4. There must be a central system of recording the names of employees and staff who are in custody of the locks and keys of recognized vaults.
- 8.1.5. The Vault Manager must have processes to ensure that the gold against which EGRs have been issued, is never moved outside the vaulting system, except for the purpose of withdrawal of gold from the recognized vault.

8.2. Security Management

- 8.2.1. The Vault Manager shall ensure that the recognized vaults have adequate security personnel and shall maintain a roster of security personnel deputed at the vaults.
- 8.2.2. The Vault Manager shall clearly lay down the responsibilities of the security personnel deputed at its recognized vaults.
- 8.2.3. The Vault Manager shall clearly lay down the processes that security personnel must follow in the event of any unlawful entry, burglary, theft or damage or potential loss of the gold deposited.



8.2.4. The Vault Manager shall ensure daily check of Security and Surveillance system and maintain records in this regard. In case of any adverse observations, it shall be rectified expeditiously.

8.3. Procedure for fire control

8.3.1. The Vault Manager shall ensure that its facilities and the deposits are well protected from losses due to fire hazards.

8.3.2. The Vault Manager shall ensure that addresses and telephone numbers of fire station, police station and designated officials of the Vault Manager are displayed at conspicuous places so that in case of emergency, the concerned authorities may be contacted without any delay.

8.3.3. To avoid any outbreak of fire in the premises, the Vault Manager shall ensure the following:

8.3.3.1. Smoking or lighting match-stick inside the vaults shall be strictly prohibited.

8.3.3.2. 'NO SMOKING' boards shall be prominently displayed.

8.3.3.3. Warehouse security shall ensure that no person entering in its premises carry any match box, gas lighter, chemicals and inflammable items which can cause fire.

8.3.3.4. The lighting and other arrangements in the vault premises shall be satisfactory and their periodical check-up shall be made to ensure that no electric line is defective.

8.3.3.5. Adequate fire extinguishers shall be there at the premises and the employees shall be familiar with the use of such fire extinguishers.

8.3.3.6. The Vaults shall have fire alarms.

8.3.3.7. All the firefighting equipments and devices installed in the premises are in good working condition at all times.

8.3.4. In the event of fire, the concerned vault shall immediately contact the fire brigade office. Efforts shall be made to douse the fire with equipment available at the vault. The vault shall immediately intimate the Depository about the incident.



8.4. Procedure in the event of theft/ burglary

- 8.4.1. The Vault Manager shall have processes for action to be taken in the event of burglary, theft, break-ins, etc.
- 8.4.2. The Vault Manager shall ensure that the officials of the vaults intimate the local and nearest police station and the designated officials of the Vault Manager and Depositories on immediate basis.
- 8.4.3. A copy of the FIR shall be obtained and the necessary process should be initiated to make claim from the insurance company.

9. Indemnification in case of loss/damage

- 9.1. In case of loss/damage of the gold either due to unavoidable circumstances or otherwise, such as negligence of the Vault Manager, the Vault Manager shall be liable to indemnify for the loss/damage.
- 9.2. To deal with such scenarios, the Vault Manager shall have a procedure in place to replenish the lost/damaged gold in such a manner that:
 - 9.2.1. the replenished gold is of purity and weight equivalent to the lost/damaged gold,
 - 9.2.2. the replenished gold is as per LBMA or India good delivery standard,
 - 9.2.3. the gold can be traced back to nominated agencies or accredited refineries, and
 - 9.2.4. the gold is accompanied by proper documentation.
- 9.3. The Vault Manager shall keep the Depository informed and the Depository shall ensure that the requirements mentioned in para 9.2 are met.
- 9.4. The Depository shall ensure that the gold is replenished by the Vault Manager within 24 hours of identification/crystallization of the lost/damaged gold failing which appropriate action shall be taken by the Depository.
- 9.5. The Depository shall not allow any fresh deposits and withdrawals from the said vault till the restoration of infrastructure and systems in the concerned vault.
- 9.6. In case the recognized vault receives any deposit or withdrawal request in the intervening period, the vault shall not dismiss the request and provide services to the client at its own expense.



9.7. The Vault Manager shall submit a detailed report of the incident of loss/damage of the gold deposits with it against EGRs, to the Depositories.

10. Maintenance of records

10.1. The Vault Manager shall maintain the following records:

- 10.1.1. Documents for traceability of gold
- 10.1.2. Know your depositor (KYD) details
- 10.1.3. Certificate of indemnity from refiner/depositor and purity certificate.
- 10.1.4. Acknowledgment slip issued and received during the deposit and withdrawal respectively.
- 10.1.5. Purity, quantity and weight of deposited gold
- 10.1.6. Details of Creation and extinguishment of Electronic Gold Receipts
- 10.1.7. Details of the gold withdrawn
- 10.1.8. Details of movement of gold between recognized vaults or Vault Managers
- 10.1.9. All communications received or sent to the depositor/ authorized representative/beneficial owners
- 10.1.10. Details of complaints received and action taken thereof
- 10.1.11. Reports submitted to the Board.
- 10.1.12. Other documents related to transactions pertaining to EGR

10.2. The records shall be maintained in physical and/or electronic form for a minimum period of five financial years.

11. Inspection/ physical verification by the Depository

11.1. The Depositories, in coordination with each other, shall ensure that physical verification of the gold stored in recognized vaults belonging to the Vault Manager, is carried out at least once in a fortnight.

11.2. A full inspection of the Vault Manger and its recognized vaults shall be carried out by the Depositories on an annual basis, as per the schedule mutually agreed upon between the Depositories and the Vault Manager.



- 11.3. The Depositories shall employ experienced and knowledgeable personnel for carrying out the inspection/physical verification of the Vault Managers/recognized vaults and the same shall not be outsourced.
- 11.4. The Depositories shall carry out surprise inspections of Vault Managers or/and its recognized vaults as and when such exigencies arise.
- 11.5. The Depositories shall have a detailed manual for carrying out the inspections/physical verification in the recognized vaults and their Vault Managers.
- 11.6. The Depository shall forward to SEBI any adverse findings in the inspection report of the Vault Manager/recognized vaults along with corrective measures taken by the Vault Manager/recognized vault, in response to those adverse findings.

12. Grievance Redressal

- 12.1. The Vault Managers and Depositories shall put in place an Investor charter including a grievance redressal mechanism to handle investor complaints.
- 12.2. The Vault Managers are required to redress all the complaints related to deposit, storage and withdrawal of gold, creation and extinguishment of EGR and quantity/purity related complaints.
- 12.3. The Depositories are required to redress complaints pertaining to EGR transactions handled by them and by the Depository Participants (DPs).
- 12.4. Different types of complaints shall be redressed in the manner as given below:

12.4.1. Quantity/weight related complaints

- 12.4.1.1. The complaints related to quantity or weight of gold shall be resolved by the Vault Manager within one working day of receipt of complaint failing which, the operations of the EGR segment of the concerned recognized vault shall be ceased, till the complaint is resolved.

12.4.2. Quality related complaints

- 12.4.2.1. The complaints pertaining to the quality/purity of gold (deposited by accredited refinery) shall be taken up by the investor with the accredited assayer, empanelled with the Clearing Corporation.



12.4.2.2. In such scenario where the gold is assayed, the Vault Manager shall ensure that the gold has not moved out of the vaulting system and may facilitate to the extent of transporting the gold to and fro the laboratory of the assayer accredited with the Clearing Corporation.

12.4.2.3. All the expenses related to assaying shall be incurred by the beneficial owner on whose complaint the assaying is being done.

12.4.2.4. If the report of the assayer certifies that the gold is not as per the specified quality, the stock exchange shall ensure that the concerned accredited refinery makes good for the loss to the beneficial owner.

12.4.3. Other complaints

12.4.3.1. All other complaints related to the operations of the Vault Manager shall be resolved by the Vault Manager within seven working days

12.4.3.2. The complaints related to the operations of the Depositories and DPs shall be resolved by the Depositories within seven working days.

12.5. The Vault Managers and Depositories shall ensure that the quality and quantity related complaints be redressed only if the gold has not moved out of the vaulting system.

12.6. In case of any grievance against the Vault Managers, the investors can file complaints at <https://scores.gov.in> .

12.7. The Vault Managers shall disclose on their websites, the data on complaints received against them and redressal thereof, latest by 7th of succeeding month, as per the format stated below:



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Data for the month ending

S. No.	Received from	Carried forward from previous month	Received during the month	Total complaints	Resolved during the month*	Pending at the end of the month**		Average Resolution Time^
						Pending for less than 3 months	Pending for more than 3 months	
1	2	3	4	5	6	7		8
1	Directly from Investors							
2	SEBI(Scores)							
3	Other Sources (if any)							
	Grand total							

*Should include complaints of previous months resolved in the current month, if any.

**Should include total complaints pending as on the last day of the month, if any.

^ Average resolution time is the sum total of time taken to resolve each complaint in the current month divided by total number of complaints resolved in the current month.

Month wise data for the financial year

S. No.	Month	Carried forward from previous month	Received	Resolved	Pending
1	2	3	4	5	6
1	April				
2	May				
3					
	Grand total				



13. Disclosures by the Vault Manager and Depository

13.1. The Vault Manager shall disclose the following information on their website:

- 13.1.1. Details about the recognized vaults including location, contact details of designated officials, etc.
- 13.1.2. Charges related to Storage, deposit and withdrawal
- 13.1.3. Any other charges
- 13.1.4. Any other information as considered by the Vault Manager

13.2. The Depository shall disclose the following information on their website:

- 13.2.1. List of registered Vault Managers and their corresponding recognized vaults providing vaulting services to the EGR segment.
- 13.2.2. Contact details of the designated officials of the Vault Managers
- 13.2.3. Details about the storage and other charges of Vault Managers
- 13.2.4. Any other information as considered relevant by the Depository.



Annexure-2

The procedure for Deposit of Gold, Creation of EGR, Withdrawal of gold and Extinguishment of EGR is as follows:

1. Common Interface:

- 1.1. The Depositories shall create and manage a common interface accessible to all the stakeholders in the Gold exchange ecosystem viz. Vault Managers, Depositories, Stock Exchanges, Clearing Corporations and clients/investors.
- 1.2. The entities shall have limited access to the interface on need to know or user rights basis.
- 1.3. The Depositories shall have a Business Continuity Plan (BCP) and Disaster Recovery (DR) policy in place as defined in SEBI circular no. [SEBI/HO/MRD1/DTCS/CIR/P/2021/33](#) dated March 22, 2021 so as to maintain data and transaction integrity and prevent data loss pertaining to the operation of the interface/EGR segment.

Vault Managers:

- 1.4. The Depositories shall provide interface to the Vault Managers, registered with SEBI, by entering into an agreement with them defining their rights and obligations. The interface shall be accessed by the Vault Managers for creation and extinguishment of EGR, reconciliation of records and other related activities as defined by the Depository.
- 1.5. The Vault Managers shall ensure that each of the recognized vaults has identified designate persons to access the interface to carry out the activities related to EGR.
- 1.6. The information of the identified designate persons shall be made accessible to the Depository as and when required.



Depositor/Beneficial Owner of EGR:

- 1.7. The Depository shall provide user access, in the interface, to the depositors/clients for placing a request for deposit of gold (for creation of EGR) and for withdrawal of gold.
- 1.8. The Depository shall ensure display of outstanding storage and other charges to the depositor/beneficial owner of EGR.

Stock Exchanges and Clearing Corporations:

- 1.9. The Depository shall provide user access, in the interface, to the Stock exchanges (SEs) and Clearing Corporations (CCs) and ensure that the following information is available to SEs and CCs for ease of reconciliation between Depositories, SEs and CCs:
- 1.9.1. Number of EGRs in the system - total and ISIN-wise
 - 1.9.2. New EGRs created for trading - total and ISIN-wise
 - 1.9.3. EGRs extinguished on the trading day- total & ISIN-wise
 - 1.9.4. Any other information required by the entities

Depository:

- 1.10. Each Depository shall display relevant information related to EGRs to the other Depository in the interface for ease of reconciliation.

2. Deposit of Gold and creation of EGR

2.1. Procedure

- 2.1.1. The Depository shall allow the depositor to place deposit request in the interface by selecting the details such as Vault Manager, recognized vault, quantity to be deposited, the purity and weight of the gold to be deposited and details of authorized representative. The Depository may specify additional details to be entered by the depositor in the system.



- 2.1.2. Once a deposit request is placed, a deposit request letter containing the details entered by the depositor shall be generated by the system. The deposit request shall remain active for three working days.
- 2.1.3. The deposit request along with the details of the depositor and/or his authorized representative will also be reflected to the concerned Vault Manager and the recognized vault in the system.
- 2.1.4. Before accepting the gold for deposit, the Vault manager shall verify the following documents and keep electronic and physical record of the same.
- 2.1.4.1. Proof of Identity (POI) and Proof of Address (POA) of the depositor
 - 2.1.4.2. Proof of Identity (POI) and Proof of Address (POA) of the authorized representative including the authority letter
 - 2.1.4.3. Valid mobile number and email id of the depositor and authorized representative
 - 2.1.4.4. PAN number of depositor
 - 2.1.4.5. Deposit request letter
 - 2.1.4.6. Packing list
 - 2.1.4.7. Customs clearance documents
 - 2.1.4.8. Letter of indemnity from the refinery/depositor specifying that they are responsible for the quality of the gold deposited by them.
- 2.1.5. During the deposit, the Vault Manager shall necessarily weigh the gold bars and verify/match the details of each of the gold bar, against the deposit request, with the packing list.
- 2.1.6. The Vault Manager shall accept deposits coming only through accredited refineries or nominated agencies as defined in the Vault Managers regulations.



- 2.1.7. On acceptance of the gold, the Vault Manager shall furnish a physical or electronic receipt to the depositor and/or its authorized representative.
- 2.1.8. Upon acceptance of the gold, the Vault Manager shall record the following details and create EGR from the interface:
- 2.1.8.1. Name of the Depository having account of Beneficial Owner;
 - 2.1.8.2. Details of Depository Participant;
 - 2.1.8.3. Name and address of the beneficial owner;
 - 2.1.8.4. Valid mobile number and email id of the beneficial owner
 - 2.1.8.5. PAN number of the Beneficial Owner
 - 2.1.8.6. Demat Account details of the beneficial owner
 - 2.1.8.7. Registration number of the Vault Manager and date up to which such registration is valid;
 - 2.1.8.8. Name of the vault and its complete postal address;
 - 2.1.8.9. Date of creation of Electronic Gold Receipt;
 - 2.1.8.10. Deposit/Withdrawal unit
 - 2.1.8.11. Trading unit
 - 2.1.8.12. Purity
 - 2.1.8.13. Bar number;
 - 2.1.8.14. Rates of storage charges and other related charges, if any; and
 - 2.1.8.15. Name of the refiner.
- 2.1.9. The Vault Manager shall also upload a copy of the purity certificate in the interface during creation of EGR.

2.2. Cut-off time

- 2.2.1. The Vault Manager shall accept deposit of gold from 10:00 AM to 03:00 PM.
- 2.2.2. For all the gold deposited till 03:00 PM, EGR shall be created on the same working day but made available for trading by the investor on the start of the next trading day.



2.2.3. For the gold deposited after 03:00 PM, EGR shall be made available for trading on the second working day of such deposit.

2.3. Procedure to deal with errors in recording data

2.3.1. In the case of any inconsistency/error in recording data in the system committed by the Vault Manager during creation of EGR, the Vault Manager shall ensure that such errors are detected before or during reconciliation at the end of the day. As a corrective measure, the Vault manager shall immediately make a representation to the Depository for rectification. The concerned Depository shall immediately initiate correction in the system and update the portal before the EGRs are made available for trading.

2.3.2. The concerned Depository shall inform the other Depository about such incorrect / wrongful entry and the corrective action taken thereon to rectify such errors in the EGR.

3. Recording of EGRs created by the Vault Manager

3.1. Creation of ISIN

3.1.1. The Depository shall create an International Securities Identification Number (ISIN) as per ANNA guidelines.

3.1.2. ISIN shall comprise of the following characteristics:

G + Purity

Where: G= Gold

Purity= measure of fineness of gold as prescribed by the stock exchanges, for example 999, 995 etc.

3.1.3. The Depository shall assign appropriate ISIN to the EGRs created by the Vault Managers in the system and record the EGRs.



- 3.1.4. Whenever the EGRs are created and made available for trading by the investor, the Depository shall share the information about the availability of such EGRs for trading, with the stock exchanges.
- 3.1.5. Depository shall verify the documents submitted by the Beneficial Owner to the Vault Manager before crediting the EGR in the demat account of the concerned Beneficial Owner.

4. Withdrawal of Gold and Extinguishment of EGR

4.1. Procedure

- 4.1.1. The Depository shall allow the investor to place withdrawal request in the interface by selecting the choice of vault manager, recognized vault, quantity, ISIN and any other detail as prescribed by it.
- 4.1.2. The Depository shall approve the withdrawal request after satisfying the following:
- 4.1.2.1. The beneficial owner has the number of EGRs of the specified ISIN in his demat account representing the quantity of gold he desires to withdraw
- 4.1.2.2. The selected vault location has the quantity and withdrawable unit of gold requested for withdrawal
- 4.1.2.3. The beneficial owner has paid all the dues and charges
- 4.1.3. The Depository, after approving the withdrawal request, shall freeze the EGRs in the demat account of the BO against which withdrawal request has been placed and generate a withdrawal request letter.
- 4.1.4. The withdrawal request shall be active for three working days after which it would be deemed cancelled.
- 4.1.5. The withdrawal request along with the details of the beneficial owner and/or his authorized representative, the quantity requested for



withdrawal and the unit of withdrawal shall be immediately transmitted to the concerned Vault Manager and the recognized vault in the system.

4.1.6. While servicing the withdrawal request, the Vault Manager shall verify and keep record of the following documents:

4.1.6.1. Proof of Identity (POI) and Proof of Address (POA) of the beneficial owner

4.1.6.2. Proof of Identity (POI) and Proof of Address (POA) of the authorized representative including the authority letter

4.1.6.3. Withdrawal request letter

4.1.7. After verification of documents, the Vault Manager shall release the gold as intimated in the system and record the details of the gold released for withdrawal in the system.

4.1.8. The Vault Manager shall take an acknowledgment receipt from the BO/authorized representative and simultaneously extinguish the EGR corresponding to the gold.

4.1.9. The Vault Manager shall intimate the extinguishment of EGR to the Depository to carry out extinguishment of such EGR from the demat account of the Beneficial Owner.

4.2. Cut-off time

4.2.1. The Vault Manager shall allow withdrawal of gold from 10:00 AM to 03:00 PM.

4.2.2. The requests for withdrawal of gold made into the recognized vault during the prescribed time shall be processed by the Vault Manager on the same working day.
