



भारत सरकार GOVERNMENT OF INDIA
वाणिज्य और उद्योग मंत्रालय MINISTRY OF COMMERCE & INDUSTRY
विकास आयुक्त का कार्यालय, गिफ्ट विशेष आर्थिक क्षेत्र,
OFFICE OF THE DEVELOPMENT COMMISSIONER GIFT SEZ
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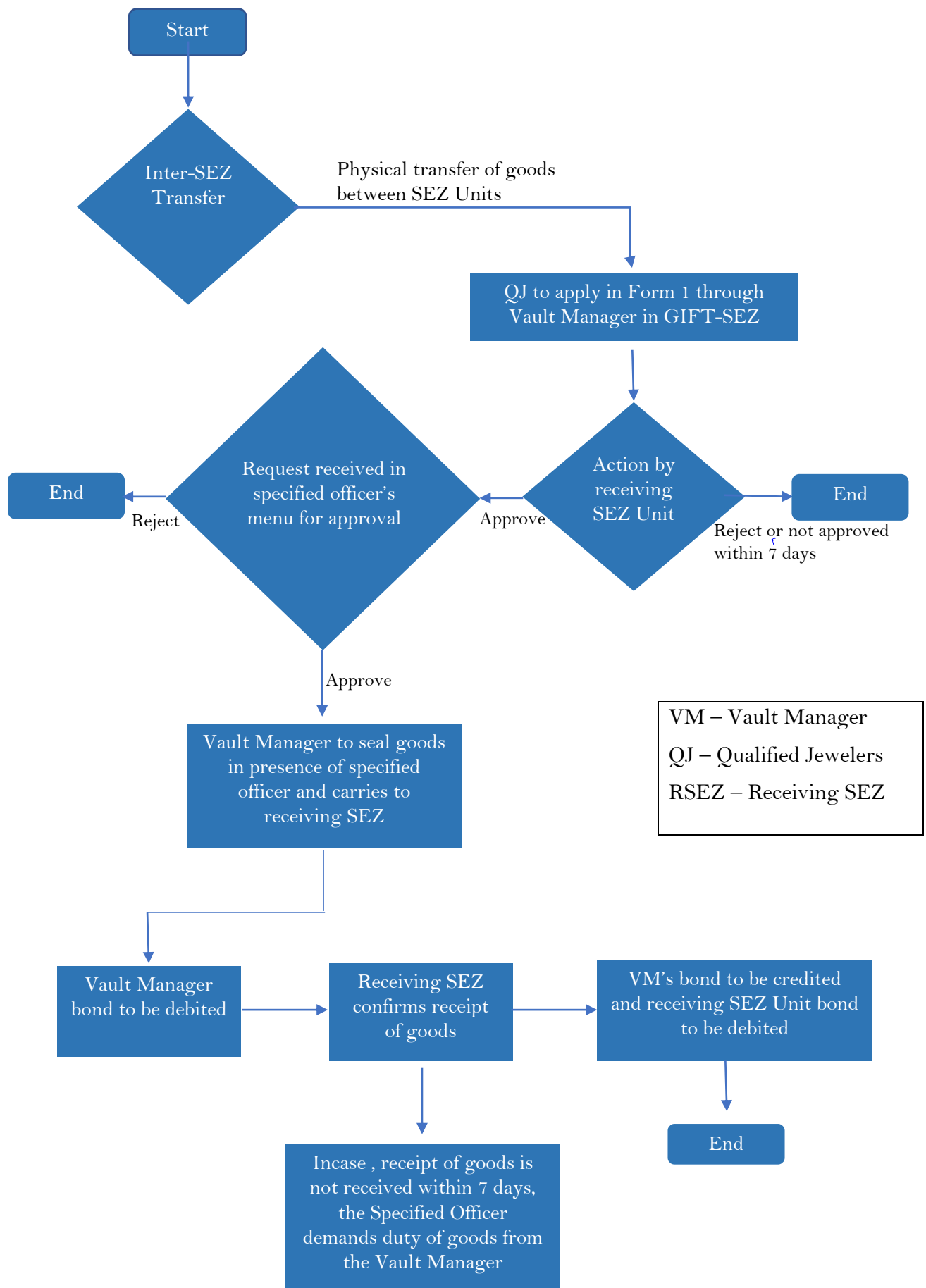
In order to address the need for the Zone-to-Zone transfer of Bullion imported by Qualified Jewellers through India International Bullion Exchange IFSC Ltd. (IIBX) platforms, the following Standard Operating Procedure (SOP) is being issued in accordance with Rule 38 of SEZ Rules, 2006:

2. SOP for transfer of underlying Bullion from GIFT IFSC to other SEZ after trading of BDR on IIBX

- SEZ units, as clients of a trading member registered with IFSCA, can transfer underlying bullion from a registered vault in GIFT IFSC to a unit located in another SEZ (having registration on ICEGATE) without the payment of duty. This process involves the purchase of a Bullion Delivery Receipt (BDR) on the India International Bullion Exchange (IIBX) and subsequently extinguishing it with the India International Depository IFSC Limited (IIDL).
- The Vault Managers, who are registered with IFSCA and empanelled with IIDL, will function as a Custodian. Their role involves facilitating the delivery of bullion from the GIFT IFSC Vault to the unit located in another SEZ.
- Given that the Vault Managers have already submitted a Bond-cum-Legal Undertaking (LUT) to the Development Commissioner of the SEZ and the Specified Officer, covering the estimated duty liability, as well as an LUT affirming the supply of bullion/services without the payment of Customs duty and IGST, there is no need for an additional bond/LUT. The existing documentation adequately addresses these obligations.
- To streamline the process of transferring bullion from the GIFT IFSC Vault to another SEZ unit, the Qualified Jeweller must submit an application using Form-1 on ICEGATE. This application should be submitted through their Vault Managers, considering that Qualified Jewellers are not currently registered in GIFT-SEZ.

- Following the submission of Form-1 by the Qualified Jeweller through ICEGATE, the request is transmitted to the 'Receiving Unit' located in another SEZ for validation. Upon approval by the 'Receiving Unit' on ICEGATE, the request is then presented in the menu of the SEZ Authorised Officer for final approval. However, if the 'Receiving Unit' fails to take any action within 7 days, the Form-1 is automatically purged and rejected.
- Upon approval of the request by the Authorised Officer from the departmental login page of ICEGATE, the Qualified Jeweller is authorized to proceed with the transfer of bullion to the specified receiving SEZ Unit, utilizing their vault managers. During the clearance process of the bullion, the actual duty forgone is debited from the BLUT executed by the vault manager. This ensures that the duty implications are accurately accounted for and that the transfer is carried out in compliance with the approved request.
- Upon the receipt of Bullion at the receiver's end, the Authorised Officer (or Specified Officer) in charge of the receiver's SEZ confirms the receipt of Bullion on ICEGATE. This confirmation action results in the crediting of BLUT executed by the vault manager with an amount equivalent to the actual duty forgone. Simultaneously, the recipient's BLUT is debited with the same amount, ensuring accurate accounting for the duty implications associated with the received bullion. This step ensures transparency and accountability in the transfer process. Notably, there is no need to submit any additional documents or bonds for the purpose of transshipment of goods. It's important to highlight that transshipment will only be allowed through IFSCA approved Vault Managers.
- As an additional safety measure for the transfer of bullion from GIFT IFSC Vault, the packaging will be sealed in the presence of GIFT SEZ Customs. This sealed package will undergo inspection by the receiving SEZ Customs before being granted entry into the receiving SEZ. This process ensures an added layer of security during the transfer of bullion.
- In case the delivery of bullion to the receiving SEZ unit is not made within seven days the Specified Officer of GIFT SEZ will initiate the demand for duty from the vault manager.

3. Further, to facilitate the Zone-to-Zone Transfer from the IFSC in GIFT SEZ to other SEZs post the Bullion Delivery Receipt (BDR) trading on IIBX, one may refer to the following flow chart for convenience.



(S.C Agarwal)
Development Commissioner