

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):

- BO 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 documents from the designated email ID.

At the time of submitting Withdrawal Request to Bullion Depository following documents shall be enclosed:-

- Out of charge Bill of Entry by Importer / DTA Bill of Entry.
- Proof of payment of customs duty
- Any other documents as required and ask for by depository/vault manager.
- On the receipt of the request from the BO, Maker at Depository will capture the necessary details:
 - Safe Deposit Vault Service Provider ID / Safe Deposit Vault ID
 - ISIN
 - ISIN Description
 - Qty
 - No. of Units
 - 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- Depository system shall ensure that FIFO or any other framework is followed and accordingly allot the BDRs to be withdrawn from the vault.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 Checker at Depository will verify and confirm the same
- The said withdrawal request then goes to the Vault managers electronically.
- For Gold & Silver:
 - Maker at Vault will capture the necessary details including BDR No, and Bar serial number as per the FIFO method or any other method as may be prescribed by Bullion Depository from time to time, to be delivered to BO.
- Vault Manager shall do a due diligence of documents and proof of identity verification of BO / Authorized Representative who has come to withdraw the bullion.
- At the time of Delivery, Vault Manager shall ensure that following documents are received from client:

- Packing List
 - OCC gate pass copy from customs (*)
 - Any other documents as required and ask for by depository/vault manager.
- The Vault manager shall not deliver the bullion to the BO until Out of Charge Bill of Entry is produced by ultimate buyer and extinguishment of BDR is duly executed in the Depository system.
 - Subject to the above conditions being fulfilled, Checker at Vault manager will verify the same and provide the confirmation (by providing BDR extinguishment form) to the depository to initiate extinguishment of BDR in the depository system.

The information of the extinguished BDR shall be relayed through the depository system to the vault manager post which, the delivery of Physical Bullion shall be made to the BO of the extinguished BDR.

- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will retain 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.
- With respect to the extinguished BDRs, the audit trail shall be maintained.

2. Procedure for Movement of Metal to another SEZ (Zone to Zone Transfer)

- BO 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 the BO / authorized signatory along with following documents from the designated email ID.
 - Filing of Transshipment permit / Shipping Bill
 - 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:
 - Safe Deposit Vault Service Provide ID / Safe Deposit Vault ID
 - ISIN
 - ISIN Description
 - Qty
 - No. of Units
 - 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
- The Checker at Depository will verify and confirm the same
- The said withdrawal request then goes to the Vault managers electronically.

- For Gold & Silver:
 - Maker at Vault will capture the necessary details including BDR No, and Bar serial number as per the FIFO(**) method or any other method as may be prescribed by Bullion Depository from time to time, to be delivered to BO
- Vault Manager shall do a due diligence of documents and proof of identity verification of BO/Authorized Representative who has come to withdraw the bullion.
- At the time of Delivery, Vault Manager shall ensure that following documents are received from client:
 - Packing List
 - Transit Bond by Logistics Company / Contractor.
 - Any other documents as required and ask for by vault manager.
- The Vault manager shall not deliver the bullion to the BO until extinguishment of BDR is duly executed in the Depository system.
- Subject to the above conditions being fulfilled, Checker at Vault manager will verify the same and provide the confirmation (by providing BDR extinguishment form) to the depository to initiate extinguishment of BDR in the depository system.

The information of the extinguished BDR shall be relayed through the depository system to the vault manager post which, the delivery of Physical Bullion shall be made to the BO of the extinguished BDR.

- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will retain with Vault Manager and one copy will be given to the BO.
- On fulfillment of above process, the vault manager shall hand over the bullion only to the authorized transporter / Vault Manager for Zone-to-Zone Transfer.
- 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.

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

3. Intent to export back the metal (Shipping Bill to be filed)

- BO 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 the authorised signatory along with following documents from the designated email ID.
 - Certified copy of shipping bill
 - Packing List
 - copy of airway bill or bill of lading.
 - Any other documents as required and ask for by depository/vault manager.
- On the receipt of the request from the BO, Maker at Depository will capture the necessary details:
 - Safe Deposit Vault Service Provide ID / Safe Deposit Vault ID
 - ISIN

- ISIN Description
 - Qty
 - No. of Units
 - 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
 - The Checker at Depository will verify and confirm the same
 - The said withdrawal request then goes to the Vault managers electronically.
 - For Gold & Silver:
 - Maker at Vault will capture the necessary details including BDR No, and Bar serial number as per the FIFO (***) method or any other method as may be prescribed by Bullion Depository from time to time, to be delivered to BO
 - Vault Manager shall do a due diligence of documents and proof of identity verification of BO/Authorized Representative who has come to withdraw the bullion.
 - At the time of Delivery, Vault Manager shall ensure that following documents are received from client:
 - Packing List –
 - copy of airway bill or bill of lading. –
 - General Bond Details
 - Any other documents as required and ask for by depository/vault manager.
 - The Vault manager shall not deliver the bullion to the BO until extinguishment of BDR is duly executed in the Depository system.
 - Subject to the above conditions being fulfilled, Checker at Vault manager will verify the same and provide the confirmation (by providing BDR extinguishment form) to the depository to initiate extinguishment of BDR in the depository system.

The information of the extinguished BDR shall be relayed through the depository system to the vault manager post which, the delivery of Physical Bullion shall be made to the BO of the extinguished BDR.

- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will retain with Vault Manager and one copy will be given to the BO.
- On fulfillment of above process, the vault manager shall hand over the bullion only to the authorized /approved carrier for export.
- 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.

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

- (*) We would like to have the OCC gate pass electronically flowing from custom system to the depository system (copy enclosed for reference). –
- (**) The FIFO framework or any other applicable framework shall be applicable for calculation of customs duty payable for BDR extinguishment and subsequent imports to DTA. The same process can be followed for BDR extinguishment request placed for other purposes as well.

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Standard Operating procedure for Deposit of Bullion

Prerequisite: Every eligible depositor and Beneficial Owner (BO) shall have the Demat account with the bullion depository for the process of Depositing / Withdrawal from the empaneled Vaults.

The process of Deposit of Bullion:

- 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)
- Maker at depository will capture the necessary details like BO ID, ISIN, Description of Bullion ISIN, Number of Units, Total Qty, (as per Deposit Request Form).
- Checker 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
- 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). -
 - BDR No. (System will generate)
 - Unit Of Measurement
 - Depositor Details
- Depositor will check with the Vault Manager in advance for adequate space for depositing Bullion with them.
- 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 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 will be credited to the BO account of the Depositor in the Bullion Depository.
- BD shall send the BDR information to the depositor and to the Vault Manager for record and audit purpose.

The Vault manager shall clearly demarcate the storage area meant for vaulting services for BDR

- 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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