

# IIBX pioneers 30-minute BDR settlements

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Ahmedabad: The India International Bullion Exchange (IIBX) at GIFT City in Gandhinagar has become the first global bullion exchange to offer bullion depository receipt (BDR) settlements every 30 minutes.

The exchange operates from 9am to 5.30pm, with 17 slots available for BDR settlements every half an hour, starting from 9.30am. This means that every 30 minutes, the BDR receipt will be transferred from the depository's demat account to that of qualified jewellers.

Ashok Gautam, the MD and CEO of IIBX, explained that the regulator, IFSCA, approved the 30-minute settlements of BDR after confirming the operational and technical readiness of the exchange. "This is the first time such expedited clearances have been offered by any bullion exchange worldwide. The faster realization of BDR into the jewellers' account allows for obtaining physical gold after necessary duty payments and customs clearances to commence more quickly," he said.

Recently, the Indian customs and central excise electronic commerce/electronic data interchange (EC/EDI) gateway, also known as Icegate, was integrated into IIBX to facilitate customs clearances, resulting in 142.3kg of gold being traded on the exchange. Currently, 91 registered qualified jewellers participate in trading on IIBX.

The first transaction occurred on May 15, when a qualified jeweller, Milan Shah, received the BDR from IIBX in 30 minutes, and physical gold was delivered the following day. "We procured 46kg gold from IIBX through Icegate. The process is hassle-free and a better option for procuring gold under CEPA as we do not have to make an upfront duty payment, which eases our working capital needs," said Shah.

Under the comprehensive economic partnership agreement (CEPA) between India and the UAE, gold imports from the UAE to India are facilitated at a concessional duty rate of 1%. The tariff rate quota (TRQ) for importing gold under this agreement has been set at 140 metric tonnes for 2023-24, according to the directorate general of foreign trade (DGFT). To facilitate their participation on IIBX for the import of gold, DGFT permits qualified jewellers and TRQ holders to change the nominated agencies in the TRQ certificate to reflect the name of the jewellers to enable them to import gold through IIBX.

At present, some 341 TRQ holders have the licence to import gold. They can import gold through the jewellers registered on IIBX, subject to certain conditions.