

The Gold Deposit Scheme, 1999

UNION OF INDIA

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Rule THE-GOLD-DEPOSIT-SCHEME-1999 of 1999

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The Gold Deposit Scheme, 1999Published vide Notification No. G.S.R. 634(E), dated 14th September, 1999Ministry of Finance(Department of Economic Affairs)G.S.R. 634(E). - The Central Government, with a view to bringing privately held stock of gold in circulation, reduce the country's reliance on import of gold and providing its owners with some income apart from freeing them from the problems of storage, movement and security of gold in their possession, hereby notifies the Gold Deposit Scheme as announced in the Budget, 1999-2000.

1. Short title and commencement.

- (i) This scheme shall be called the Gold Deposit Scheme 1999.(ii)It shall come into force immediately.

2. Definition.

- In this Scheme unless the context otherwise requires,(i)"Designated bank" means-a bank authorised by Reserve Bank to operate the Scheme.(ii)"Gold Certificate" means-the final receipt issued to a subscriber of the Scheme after the gold tendered by him has been assayed and accepted as deposit by a designated bank.(iii)"Statement of Accounts" means a statement reflecting the Credit of Gold tendered by the depositor and its Debit, where such account is being maintained in a dematerialised form.(iv)"Subscriber" means-a person resident in India, being-(a)an individual in his capacity as such individual or acting as guardian on behalf of a minor child,(b)more than one individual jointly,(c)a Hindu Undivided Family,(d)a Trust,(e)a Companywho tender gold to a designated Bank under this Scheme.(v)Pass Book means-a book issued by a bank reflecting the deposit of Gold tendered under the Scheme and its withdrawal.(vi)All other words and expressions used in this scheme and not defined shall have the meaning assigned to it under the General Clauses Act, 1897.

3. Who can operate the Scheme.

- All designated banks may operate the Scheme after getting the operational details approved by the Reserve Bank.

4. Form of Subscription.

- The Gold shall be tendered by a Subscriber in the form of Bars, Coins and Gold Jewellery.

5. Procedure for making application for subscription of Gold.

- (i) Every subscriber desirous of making subscription of Gold under the Scheme shall apply to a designated bank in such form as may be prescribed by the said bank. (ii) After the Gold has been assayed, the designated bank shall accept the Gold and at the option of the subscriber shall issue- (a) a Gold Certificate or (b) a Statement of Account or (c) a Passbook to the Subscriber.

6. Premature Payment.

- Premature payment, either in the form of Gold or in Cash equivalent to the price of Gold on the date of encashment shall be allowed after initial lock in period.

7. Repayment and payment of interest.

- (i) The Gold Certificate shall be repaid in Gold. Such repayment may also be made in rupee equivalent to the price of Gold as on the date of maturity at the option of the subscriber. The option in this regard will have to be exercised in the manner prescribed by the designated bank. (ii) The designated bank shall pay interest at such rate and at such intervals as it may decide subject however, to the interest rate directive on Gold Deposit, issued by Reserve Bank.

8. Nomination facility.

- The nomination facility shall be available on the lines of usual rupee deposit scheme prevalent in banks.

9. Transfer of Gold Certificate.

- The Gold Certificate shall be transferable by endorsement and delivery.

10. Period of Scheme.

- The Scheme shall remain in operation until further notice.