



PRESS RELEASE

IFSCA (Bullion Market) Regulations, 2025

1. The IFSCA (Bullion Market) Regulations, 2025 (hereinafter referred to as 'Bullion Market Regulations') have been notified in the Official Gazette on February 13, 2025.
 2. The Bullion Market Regulations replace the IFSCA (Bullion Exchange) Regulations, 2020, which were notified on December 04, 2020. The amendments to the IFSCA (Bullion Exchange) Regulations were notified on July 05, 2021, which, among other things, introduced Regulation 59 to make applicable the IFSCA (Market Infrastructure Institutions) Regulations, 2021, in case of any conflict or inconsistency on the same subject matter, with the IFSCA (Bullion Exchange) Regulations, 2020.
 3. The notification of Bullion Market Regulations will obviate the need to refer to IFSCA (MIs) Regulations, in case of any conflict or inconsistency in the two regulations.
- 4. The following are the salient features of the Bullion Market Regulations**
- a) The name of the regulations has been changed from the Bullion 'Exchange' Regulations to Bullion 'Market' Regulations to reflect the wider scope of the Regulations as they cover not only the Bullion Exchange but other participants of the bullion market also.
 - b) **Net worth:** The Bullion Market Regulations prescribe minimum net worth as USD 10 million each for a Bullion Exchange and a Bullion Clearing Corporation. If required, as a risk management measure, IFSCA may specify higher net worth for a Bullion exchange or a Bullion clearing corporation based on the nature and scale of their respective business.'
 - c) **Key Management Personnel (KMP):** KMP which had not been defined in the IFSCA (Bullion Exchange) Regulations, 2020, has been defined now in Regulation 2 (1) (t) of the Bullion Market Regulations. The new definition of KMP includes,



among other things, individuals with an ability to influence decisions as well as those involved in the core functions.

- d) Definitions of some of the terms that have been revised or introduced in the Bullion Market Regulations are as under:
 - i. **Consumer:** The definition of the term 'consumer' has been broadened to 'a constituent of a bullion trading member or a special category client as mentioned in the circulars issued by the Authority from time to time.' This is necessitated by the fact that the concept of Special Category Client (erstwhile Limited Purpose Trading Member) was not conceived at the time of notifying original Bullion Exchange Regulations.
 - ii. **Non-independent directors:** The term 'Non-Independent Directors' has been introduced. This nomenclature is replacing the word 'Shareholder Directors'. This would give flexibility to Bullion MIs to appoint as directors even those persons who are not necessarily representing their shareholder entities (apart from Public Interest Directors).
- e) While the Code of conduct for Directors and Key Management Personnel was specified by IFSCA by way of a circular in September 2021, the Code of Conduct for Bullion MIs was not prescribed. The same has been introduced in the Bullion Market Regulations.
- f) The provision of orderly winding down has been added in the Bullion Market Regulations to provide for an enabling provision mandating the Bullion Clearing Corporations to devise and maintain a framework for orderly winding down of critical operations and services.
- g) The provisions relating to the appointment of Chief Risk Officer, Chief Legal Officer and Chief Information Security Officer have been incorporated in the Bullion Market Regulations.
- h) A chapter on Inspection, Enquiries and Enforcement has been introduced in the Bullion Market Regulations.



5. Apart from furthering the objective of price discovery for bullion taking place through Bullion Exchange in GIFT IFSC, the Bullion Market Regulations are expected to usher in further ease of doing business, clarify the intent of certain regulatory provisions and introduce safeguards as are deemed necessary for the protection of customer's interest in the bullion market ecosystem in the IFSC.

6. The complete text of the notified Bullion Market Regulations is available on the IFSCA website at <https://ifsc.gov.in/Legal/Index/ogGPf3wx5GE=>

February 17, 2025

Gandhinagar