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Dear Readers,

Finally, India adopts GST effective July 1. Congratulations to the central and state governments and the entire GST Council for the stupendous efforts! Four tax slabs (5%, 12%, 18% and 28% with cess) have been agreed upon. Gold and diamond have been kept in special category of 3 percent, responding to stakeholders' request. BCD on standard gold import stays at 10% for the time being. However, I am sure government may review it at the earliest opportunity. GST on making charges between two registered dealers is kept at 5%. On dore imports, countervailing duty (CVD) got replaced with Basic Custom Duty (BCD). Continuation of area-based exemptions would be at the discretion of state governments. For the time being, the advantage enjoyed by refiners in excise-free zones has come down to 0.2% over those located at DTA. Still, there are specific issues such as GST on exchange of old-jewellery for new and so on. But given the proactiveness of the Council in addressing genuine business-hurdles, I am sure these issues would be resolved soon. Overall, I compliment the Council for the wonderful beginning.



Transition to GST is a major exercise for a traditional sector such as gold jewellery. Century-old practices will have to make way for new ways of business, which has potential for growth and collaboration. The sector would soon become more formalized, bankable and would start attracting investments. I am confident of it.

India may consider two positive outcomes from other countries. While the overall tax (equivalent of custom duty + GST in India) on gold jewellery ranged between 7 and 18%, lower overall tax (under 10%) is seen to be compliance-friendly. Second, for taxation purposes, Investment Precious Metals (IPMs) are distinguished from gold jewellery in most parts of the world. Perhaps India may consider adopting the same at some point in time in future. Market institutions and regulatory environment are getting ready for it.

I believe consumers will eventually get adjusted to price of gold as gold is purchased in the country on need based. Of course, provision of exempting 'investment grade gold' will always be a welcome measure.

Best Wishes

Debajit Saha

Editor

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Welcome Address

SBMA Chairman Sunil Kashyap's opening address at Asia Pacific Precious Metals Conference



Introduction

Good morning. On behalf of the Singapore Bullion Market Association, I welcome all participants and distinguished guests from around the world to the inaugural Asia Pacific Precious Metals Conference.

While this is the beginning of the conference it is also the end of the beginning for SBMA. Let me explain.

The journey to the conference began almost four years ago when a revived

SBMA started to focus to making Singapore a hub for the physical trading of precious metals. One of our key goals was to raise the profile of SBMA in the region and around the world. This inaugural APPMC is a realization of that dream.

All through this journey we have been guided by IE Singapore - the government agency in Singapore promoting international trade. Today we are indeed honoured to extend a warm welcome to our guest of honour Mr Satvinder Singh, Assistant CEO of IE Singapore, who will be delivering his speech shortly.

The theme of this conference is "Your Gateway to the Asia Pacific Precious Metals Markets". We have about 330 delegates from more than 23 countries, over 170 companies which include 10 exchanges, 17 refineries and 8 bullion banks represented here. So, I hope that many fruitful discussions will happen amongst you in the next two days.

The participation of many experienced and distinguished speakers underscores SBMA's mission and the conference theme, for Singapore to be a gateway to the rest

of Southeast Asia and Asia Pacific's precious metals markets, including frontier and emerging markets.

Let me quickly introduce SBMA for those who are unfamiliar with us.

SBMA is a non-profit organisation to represent key stakeholders from the precious metals industry, including bullion banks, exchanges, refineries, bullion dealers and secure logistics companies.

SBMA plays a pivotal role in the development of Singapore as an ASEAN precious metals hub. But more importantly, it integrates and harmonises the ASEAN gold market, encouraging ASEAN bullion organisations to use Singapore as a hub for refining, trading, logistics, price discovery and risk management, and plays an active role in sharing expertise and connecting organisations to industry players and markets.

One example I would like to highlight is Myanmar, Asia's newest democracy, whose economy is slowly liberalising. It is the world's fastest growing economy, according to the IMF but it is still considered a

“mystery” market to global players.

Today, SBMA will sign a Memorandum of Understanding with the Myanmar Gold Development Public Co. Ltd to establish a bilateral framework of cooperation for the development of the Myanmar precious metals sector.

Likewise, SBMA will sign a Memorandum of Understanding with the Chinese Gold and Silver Exchange Society to establish a bilateral framework of cooperation later in the day.

Going forward, SBMA aims to establish Singapore as a hub for connecting the international markets with the precious metals markets in Southeast Asia. The precious metals market in the region has tremendous potential and is seeing explosive growth.

Gold is particularly rooted in the life and culture of people in Asia. Increasing wealth and disposable income among the growing middle-class population in Southeast Asia is also creating a huge consumer market for lifestyle products and consumer goods, which extends to jewellery, gold and financial products like insurance policies and investment funds.

SBMA encourages the introduction of bespoke products like investments that are compliant with the Shari’ah

Standard on Gold. You will hear more about that later today.

The region also has a healthy appetite for platinum, particularly from the industrial and automotive sectors. This is set to grow even further as the middle class expands and demand for automobiles and jewellery increases. Singapore can be an important hub for platinum group metals, particularly as platinum qualifies as an investment precious metal, and as such, is also exempted from GST. Today we will hear more on this subject from the World Platinum Investment Council.

APPMC

The main purpose of this conference is to provide a platform for stakeholders from the jewellery, mining sector, retailers, traders, bullion banks & dealers, market participants, policy makers to meet and exchange ideas, and learn about the opportunities in Southeast Asia. As you have seen in the programme of the conference, we have a very robust line-up of sessions planned for the next two days.

Moving forward, we intend for this conference to become an annual mid-year event, and we hope to gain the support of partner organisations and industry players.

I would like to thank all our sponsors: The Chinese Gold and Silver Exchange Society, World Gold

Council, World Platinum Investment Council, LBMA, LME, CME, Brink’s Global Services, ICBC Standard Bank, Metals Focus, exhibitors and associations that have supported SBMA’s inaugural conference.

I also want to thank those who have worked to ensure the success of this conference - the Foretell team, led by President G Srivatsava and the SBMA team, led by CEO Albert Cheng, who has leveraged his experience, knowledge and wide network to bring all of this together.

Conclusion

I look forward to the translation of these themes into enhancements and progress in the precious metals market across the region in terms of identifying greater opportunities for partnerships, collaboration, demystifying markets, breaking down barriers and more.

I have no doubt that this will be a stimulating conference for all participants. I wish you all a fruitful conference ahead.



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Opening Address

Guest of Honour, Mr Satvinder Singh, CEO, IE Singapore



with clients and understanding their unique needs. It is also important to gather intelligence on flows and to understand market demand and supply in order to structure deals according to the needs of clients. The movement of precious metals needs to be managed to ensure timely delivery. More importantly, the necessary legal documentations need to be arranged and a close eye kept on all these activities to ensure that risk levels do not exceed limits. These activities are interlinked and need to be located together to ensure the swift processing of time-sensitive transactions of the precious metals. It is hence essential for the precious metals industry players to be present in a centralised hub.

Introduction

1. Mr Sunil Kashyap, Chairman of Singapore Bullion Market Association, Distinguished guests, ladies and gentlemen, a very good morning. I am delighted to join you for this inaugural Asia Pacific Precious Metals Conference, organised by the Singapore Bullion Market Association. It gives me great pleasure to see many important players from the precious metals sector with us this morning, including a strong representation from South East Asia and of distant Russia, Ghana and the US.

2. Singapore's precious metals sector has grown significantly since the Goods and Services Tax was lifted on investment-grade precious metals in October 2012. In 2015, more than 2,642 tonnes of gold were traded in Singapore, capping off a CAGR of 188% since 2012. This translates to over US\$100 billion of trade value, significant considering the plunge of gold prices by over 30% in the very same period.

Value of a Hub for the Precious Metals Industry

3. The trading of precious metals involves building relationships

4. Singapore exemplifies itself as a prime candidate for said centralized hub. Strategically located in the heart of the Asia growth region, Singapore boasts an established participant network, an international, multi-lingual talent pool, a strong financial and trading infrastructure, in addition to



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Singapore's value as a Precious Metals Trading Hub

5. Currently, it is estimated that 66% of global gold demand originates from Asia. The combined share in particular, of global gold demand from India and China in 2016 exceeded 50%, outstripping the 25% share characteristic of the early 1990s, according to the World Gold Council. Other markets such as Thailand, Vietnam and South Korea have also witnessed growth in their domestic markets. These key demand centres all situate within a 7-hour flight radius from Singapore, according to industry players anchored in Singapore ease of tapping the enormous potential markets in Asia Pacific.
6. Singapore boasts a participant network featuring several internationally established industry players, amongst them INTL FC Stone, Tianxinyang, YLG, MTS Gold and local companies such as SK Bullion and Gold Silver Central. Access to the network allows precious metals players opportunities to conduct international business with unparalleled effectiveness and convenience, a catalyst to growth and outreach to Asia and international market. To illustrate,
 - i. INTL FCStone, one of the world's most recognised non-bank global bullion trader and services provider has long chosen Singapore to serve as its hub and gateway to the Asia Pacific markets, while connecting Asia to its global network. Currently, 60% of INTL's bullion turnover, translating to about 60 million ounces of gold, originates from its Singapore office. In 2017, it has also launched the first global premium based physical platform designed and tailored specifically to the Asian physical markets.
 - ii. YLG, one of Thailand's most established bullion trader, has also set up a presence in Singapore to tap on its international participate network. Since commencing operations in 2013, the Singapore office has seen its trading volume increase at 30% per annum.
 - iii. Similarly, our home grown Singapore company SK Bullion and Silver Bullion have also benefited greatly. SK Bullion's customer base has grown by 20% since August 2016, while Silver Bullion saw a year-on-year increase in sales of more than 60% in 2016. Access to the extensive participant network is one of the pivotal enablers for our home grown companies to grow.
7. Our highly qualified workforce, a policy of openness to top global talent, as well as solid cultural and linguistic connections across Asia, buttress Singapore's ability to provide specific support to industry players wishing to access the Asia and international market through Singapore. On a broad assessment, nearly a full half of the total Singaporean workforce possess higher educational qualifications and more than 70% are effectively bilingual.
8. Singapore also presents a triple A financial centre rating backed by strong inherent financial and trading infrastructure. The Republic at present, is within the top three largest offshore RMB clearing centres, offering precious metals players greater access to RMB liquidity through links to Chinese financial markets. Singapore is also the third largest global foreign exchange market and amongst the top four derivative trading centres in the world. This strong financial infrastructure will enable low-cost financing of high trade volumes.
9. On the legal front, Singapore consistently ranks as a leading centre for contract arbitration and offers effective avenues for alternative dispute resolution. Its neutrality and established jurisprudence also makes it an ideal location for the settlement of international disputes. Regarding taxation, both: (i) the GST exemption of investment-grade precious metals; and (ii) the Approved Refinery and Consolidator

Scheme (ARCS), act to ease cash flow for traders and encourage greater transaction volumes.

10. Singapore already has in place developed physical infrastructure specific to the precious metals sector. Metalor Technologies Singapore commenced operations in June 2014, and its production volume has since quadrupled. On the secured logistics front, providers such as Brinks, Certis Cisco, Malca Amit, G4S and Loomis provide competitive and high quality support services.

11. The advantages of doing business in Singapore are plentiful and considerable. I invite you to share them and to gain from these opportunities through greater engagement and collaboration.

The Importance of SBMA

12. Five years have passed since Singapore first embarked on the journey to revitalise the precious metals sector. We have made good progress. However, this is a journey of decades, not years. This is where an industry-led association like SBMA can play a leading role, propelling initiatives in concert with industry players and government agencies.

13. I would like to first congratulate SBMA on its achievements in these short two years since its inception. Its membership count has grown to 36 since 2015. Its members include some of

the world's well-established and recognised international organisations such as the World Gold Council, London Metals Exchange, JP Morgan, ICBC Standard and INTL Asia.

14. SBMA has also organised several regional outreach trips aimed at exposing its members to emerging markets. Notably, SBMA has organised 3 trips to Myanmar in the last year, and the discussions have produced concrete results. SBMA will be signing an MoU with the Myanmar Gold Development Public Co, a prelude to deeper collaboration forthcoming. Additionally, SBMA's engagement with international precious metals organisations such as the London Bullion Market Association and the World Gold Council has accentuated the visibility of the Singapore precious metals industry on the world stage. I am delighted to see SBMA creating value for its members and the industry.

15. Looking ahead, SBMA will continue to be the industry's consolidated voice. Recognising the need for more detailed statistics to map ASEAN market growth and increase transparency, SBMA will spearhead the gathering and analysis of such data and its eventual dispensing to members. SBMA will also be working with tertiary education institutes in Singapore to set up the SBMA Academy, a talent development

initiative aimed at nurturing the next generation of trading professionals for the precious metals industry.

16. I have every confidence in SBMA's continued relevance and success, and I thank them for their distinguished service thus far.

Conclusion

17. The precious metals sector remains an area brimming with potential. With a growing number of enterprises, strong supporting infrastructure, SBMA at the helm and continued support from IE Singapore, I have every confidence that the precious metals sector will continue to flourish. I therefore encourage you to adopt Singapore as your own launch-pad to South East Asia, the broader Asia Pacific region, and beyond.

18. I wish everyone a fruitful conference ahead.



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Summary of Conference (APPMC)

John Reade, Chief Market Strategist, World Gold Council



place in Singapore gold market since the removal of GST in October 2012, which culminated in US 100 billion dollars in trade flows in three years. This is a clear indication what one can do if tax is removed from gold. Secondly, he outlined about essential components of regional hub in the gold market. It includes talent pool, financial strength, neutrality and jurisprudence. Singapore has a fantastic physical infrastructure like vaulting, transport and air connectivity. He also mentioned that Singapore had identified a need for an organization to represent the precious metals industry in Singapore and hence the creation of Singapore Bullion Market Association. He concluded by suggesting more Asean regional players to be involved with SBMA and Singapore.

Moving on, I gave the speech on “Gold in a time of turbulence”. I showed gold had performed in the last period of turbulence during the financial crisis. I explained that we are living in an environment with a lot of turbulent features potentially. I demonstrated that US equities, US bonds, and the US dollar - all relatively expensive, yet, gold is fairly priced on a long-term basis. I also showed at the end that how gold is not just for time of turbulence.

Moving onto first special address by Ruth Crowell, CEO, LBMA. She gave us brief but excellent summary of the developments of London market. Two

phrases of her that stood are— first “Exhausted by Regulation”, which I think is a good description to what London market had seen imposed upon it in the course of last four to five years post-financial crisis; and second, “Conduct anxiety”. In other words, bankers and traders are unwilling to do what they would like to do because they are afraid of compliance standard hanging over their shoulders. The fact that if they are found guilty of misconduct, it can mean jail or personal liability as well. Ruth went on describing the transparency initiative that LBMA is currently involved with. She described precious metals investment is like “swimming in the pool of dark ink”. It was less pleasant perhaps discussion on the enforcement- the removal of Refinery Element from London Good Delivery List and also the expectation that there will be more refiners falling off the Good Delivery List in relatively near term for not able to meet the volume target. Finally, Ruth concluded by saying that “our experience as an association is something we can share”.

The second special address is from David Mann, the Chief Economist- Standard Chartered Bank. “Welcome to the jungle”, I think, was interesting way to address it. He picked up the common theme of global turbulence. But he did make the point that this part of the world is the best neighbourhood to be in even in this

It has been full one and half day conference and as Sunil Kashyap said yesterday that it is “the end of the beginning for the SBMA”. More than 330 delegates, 25 countries from four continents for the inaugural conference is a fantastic achievement. We wish to see few more countries, like Peru and Brazil, next year to declare the conference truly global.

I would start with the speech of Guest of Honour, Mr Satvinder Singh, Asst. CEO, IE Singapore. He emphasizes two important points – one, the tremendous growth that has taken

potential likely turbulent environment. It is interesting to see that Asia is responsible for 60% of global growth; China contributes a third of global growth and Asia, ex-Japan and China, (I guess mostly ASEAN) stands sixth in the global growth. I think there is a bit of contradiction on China at the moment – on one hand, Chinese government is very keen to double the GDP by 2020 (I think it is doubling from 2013 and so it's a growth rate of 6.5 to 7 percent they are looking for) and on the other hand we see rebalancing attempt taking place there. I am also seeing an attempt to rein in a rapid credit growth. I think it is going to be difficult balance between those different objectives. Certainly, China has regional importance in Asian economy.

Then we had a very special "Roundtable on ASEAN". Asean region is growing and getting richer, middle class is increasing rapidly. Running through the countries individually, Myanmar is a new democracy which is opening up its new gold market, quite potential of mining. Laos, a small country with large gold market, but it does have high taxes. Vietnam on the other hand has a longstanding gold culture which has been helped and hampered by government in the past. Currently going through a phase of liberalization after five years of tight control. Certainly, I think there is enormous potential in Vietnam, but regulatory uncertainty will definitely make it difficult to grow. Indonesia is "the elephant in the region" with vast population, large gold production, but gold market seems to be slowly shrinking due to high taxes and duties. In the case of Thailand, it has moved from jewellery dominated market to

more investment focussed. It does not seem fit to me with 7000 shops selling gold, but seems as if jewellery market could potentially come back to life. Thailand is also large importer and exporter and has unusual 965 fineness gold market and also has interesting size of trading of baht, very different from ounce of bar. And finally, Singapore is a great example of how liberalization can kickstart the gold industry. There is no comment on domestic demand in Singapore, though.

The next one is "Shaping of Market Infrastructure in Asia" chaired by Robin Martin. I think Robin did a very good job by making the point that market infrastructure is critical to gold market. With regulatory changes, by pushing activity towards exchanges, one could regularize the market as well. He made the point that though most new contracts fail, for contracts or a new exchange to be successful, four aspects have to be addressed: (1) The need to solve real world problem; (2) the need to attract a broad range of physical and financial participants; (3) the need to get the product and operating model right and (4) finally participants need to have right incentives. Unless you have these four criteria it is unlikely for the product to be successful. On individual speaker's comment, I will start with Philip Klapwijk. He made an interesting comment that gold trade has increased till 2013, and then stepped back. Over the couple of decades, we have seen big shift in fabrication demand going from west to east and the trade has followed that as well. He concluded by saying that he expects London OTC market and COMEX futures market to continue to be most important players in the

international gold market. But China is steadily eroding the lead that two markets have.

Dr. Haywood Cheung discussed the CGSE RMB Kilobar, attracting 900 billion CNH liquidity in Hong Kong with tremendous arbitrage opportunities.

Waqar Chaudry discussed the new Australian stock exchange US denominated gold futures contract, its partnership with the Perth Mint, the centre that runs second largest gold refinery in the world from Australia, and the proximity to larger Asian demand.

Ryoichi Seki from TOCOM demonstrated how important gold and platinum are to the TOCOM exchange and showed the new contracts would be complementary to the exchange volumes and not cannibalistic.

Alex Shaw from London Metal Exchange updated us on the launch of LMEprecious which is due to take place on July 10th. We will see spot and future markets combine in the same trading venue which should be much cheaper and capital efficient than OTC market.

Moving on we have Dr. Rinjai Chakornpipat from Thailand Futures Exchange. She showed how domestically focussed gold contract could grow firstly, through offering smaller contract size, overlapping trading times with arbitrage facilities with international markets, and how a new contract launch of internationally standardized product could potentially boost futures trade in future.

Sunil Kashyap, this time representing Scotia Bank, again detailed Singapore's

attraction as both trading and storage hub. Andrew Wang from Shanghai Gold Exchange then explained to the audience how the Shanghai Gold Exchange Benchmark was successfully launched in April 19, 2016.

We then had addition of the programme of Ghanaian Minister of Land and Natural Resources who gave an update on the mining industry and how the country is committed to social, economic developments through mining activities.

Marcus Grubb, representing World Platinum Investment Council, gave an upbeat presentation on platinum. He was unexpectedly positive on the outlook of diesel vehicle catalyst demand and excited about fuel cell potential. Pitching for investment into Platinum now he concluded, "Its always darkest before dawn".

Next we moved into "Building physical gold corridor in Asia" with Dr Haywood Cheung, Junxiang Wu and Raymond Chan. Essentially, the plan is to build 1500 tonnes of bonded vault with a design to tie together the gold trade in and around and into China, effectively to complete the tri-angle, between London which trades in troy ounce, Shanghai which trades in Yuan per gram and Xianhai which trades in CNH per gram. It will allow a lot of arbitrage trade, local swaps, products swaps as well – all based around LBMA – Shanghai Good delivery. Interesting to see it will be blockchain enabled as well. The discussion was followed by signing of MoU between CGSE and SBMA.

Moving on to the presentation of this morning, first presentation we had

"New opportunities in gold- Islamic gold investment product" chaired by Shaokai Fan from WGC, assisted by William Chan of Singapore Exchange and Robin Lee from HelloGold. Shaokai gave a historical perspective on gold in Shariah and how we at the World Gold Council helped to develop the Shariah Standard for gold in conjuncture with AAOFI. He explained gold as very good complement to existing suites of products compatible with Shariah and now we are into the product development and market development phase.

William explained the Singapore Exchange Kilobar gold contract launched in 2014, upgraded in 2015 with longer trading hours. He further explained how was this Shariah compliant and how relevant is it to Singapore gold market even if the volume is not large at the moment.

Robin Lee then took us to HelloGold. He gave us some interesting numbers: 815 million savers, \$440 billion of annual saving each year and 500 million with no access to affordable financial products. So HelloGold is an attempt to access this market through app based, low cost, small denomination physically backed gold which is vaulted in Singapore. It is also a Shariah opportunity as well using third party distribution channel.

Next was panel on "Fintech" led by Robin Martin of World Gold Council. We have David Janczewski from Royal Mint, Alexey Romanchuk from Copernicus Gold, Brian Lan from GoldSilver Central Pte Ltd. and Arjun Raychaudhuri from MMTC PAMP. Robin's introduction was very useful talking about Fintech based

disintermediation process, looking at simpler, cheaper, more secure, faster transaction and the way potentially to access the unbanked two billion people out there. It also opens up access to gold too. There seems to be clear application of blockchain within the gold supply and trading environment. David discussed how they started noticing the blockchain few years ago, spent few years investigating the possibilities, came up with RMG (Royal Mint Gold) using blockchain to simplify the gold transactions allowing direct ownership of physical gold, held in the Royal Mint vault with no annual management fee forever. I think 'forever' is an interesting comment when the company is around 1100 years to making big promises.

Alexey from Copernicus Gold talked about multi currency platform physical gold, tokenized blockchain technology, very small transaction size along with gold savings for jewellery purposes. He spoke about settlement angle too.

GoldSilver Central appears to be multi-product gold company including Perth Mint Certificate. But the most of conversation was about GSC Live, app based trading technology uses MT4 with million of traders. He spoke about multi currency possibility, its divisible bars obviously something going to be offering access to younger generations.

Arjun from MMTC PAMP gave, what he described, a very India focussed presentation, spoke about how MMTC PAMP is going very much from B2B background into moving into B2C world, accessing the typically the two dollar a day earning Indian potential customers who can now get access

to mobile phone trading app with lot of transparency. I did like some of the things he said for the fact that the most common time to buy gold is between 10 and 12 am on Friday. The observation that 30 times price request before people actually buy might be similar to the ratio that trading desk in a private bank experience. The interesting things that he mentioned most price checks take place between 4 o'clock and 6 o'clock in the evening, but nobody ever trades. As far as I can understand, six weeks it has been in operation, it is called a 'pilot' but yet with millions of customers. So lots of challenges come ahead, and with challenges come scalability. It bodes well to tackle millions of potential customers, but then you get to service them; you have to answer all the telephone calls, you have to answer all the price requests. And I did get the impression that it is being a very great learning curve by MMTC PAMP. It is not about the transactions – it is about an exercise to address all of the queries that are coming.

I will briefly talk about Q and A session here. One of the things that did strike me was the trust. I think it is going to be little difficult for a start-up company to get the degree of trust needed initially. And when someone is transacting in gold, it is certainly a question where the gold is stored even for a company which is 1000 years old, perhaps. The way we trade gold, whether it is through blockchain or whether simply through mobile phone, it certainly seems to be changing. I certainly get the impression that there are views amongst the panel that gold is going to be more of trading and investment

product, perhaps less to be jewellery products like in the past.

Last comes the precious metals market review and price outlook from Bart Melek, TD Securities, Nikos Kavalis from Metals Focus and Yuichi (Bruce) Ikemizu from ICBC Standard. In Bart's case, he is fairly bullish and sees 150 dollar an ounce upside. I wonder he said so not having that sort of track record recently. He identifies potentially short-term risk in gold from the Fed reserve - either through the rate hike widely expected to take place, not only in June but also in the later part of the year and also the balance sheet shrinkage that Fed is likely to conduct. But his medium-term positivity comes from the fact that he expects that the real rate to stay low, not expecting US dollar to go up much from here and the political inaction in the US by President Trump may mean less tightening of Federal Reserve.

Nikos spoke about silver and the dichotomy between what has been in 2016 and 2017 relatively poor supply and demand fundamentals. Yet the price has increased last year and is set to increase quite a bit this year as well.

Bruce who admits not an analyst, and it is actually good to hear from a trader who works under strict framework. Trader can actually tell what they think than the analysts are. In case of platinum it is most gloomy future out there, but price at \$900/oz should be a bottom and should certainly move up to \$1000/oz over next 12 months. The current spread to gold could widen up to \$350/oz, but then that would be opportunity to pick it up. In the case of palladium, it has the brightest future – it's deficit story, strong auto

demand, potentially looking at parity with platinum.

I want to sum up by adding couple of points here.

This is inaugural conference of Singapore Bullion Market Association and I think it has been an excellent conference. We have had very packed agenda, interesting presentations, speeches and I want to thank everybody involved. I picked four main themes here and it is coming again and again. Singapore appears to be a great place to do business and an excellent place to organize a hub for precious metals. Now the conference is organized by Singapore Bullion Market Association and I guess they would say that, but joking aside, it is coming naturally from everybody engaged here. Second thing that has come through that ASEAN region is exciting; countries within ASEAN region have tremendous potential to develop further economically and potentially gold markets too. I am looking forward to hearing more of those markets with potentially more detail in the coming conferences. Thirdly, it is very clear that market infrastructure is very important and its really changing at the moment. Fintech I believe also has the potential applications for the gold industry both in terms of tracking supply and also from trading potentially encouraging demand. Finally, and it is impossible to ignore here, China is the enormous global player in the precious metals markets. In fact, the impact is enormous in the region; its like China sneezes and all gets cold nowadays. It is very clear after attending this conference.

SGX's Singapore Gold Kilobar Contract is World's First Shariah Compliant Gold Futures

William Chin, Head of Metals and Bulk Commodities, Singapore Exchange, talks about Singapore Kilobar contract, about making Singapore Kilobar contract as world's first Shariah compliant gold futures, the volume that has come since the launch of the contract in a candid interview with **Debajit Saha**, Editor, **Bullion Bulletin**, on the sideline of Asia Pacific Precious Metals Conference, 2017, Singapore.



Tell us about Singapore Kilobar gold contract. How is the response so far since its launch?

SGX launched the world's first exchange-traded, physically delivered wholesale gold futures in October 2014, in partnership with the World Gold Council and the Singapore Bullion Market Association. Our Singapore Kilobar Gold Contract offers an option for investment and risk management, serving as a transparent and centralised Asian price-discovery platform for the

gold market. Globally, about 60% of the precious metal is traded in Asia, with demand growing particularly in South-East Asia.

In 2015, we strengthened the contract's specifications following extensive market feedback. In addition to extending trading hours and providing an arrangement where sellers can transfer away their short positions on delivery – a world first – we have also worked with participant banks to formalise OTC delivery of gold to alternative locations in Hong Kong and Bangkok. This is useful in building links for physical users of our contract who are active in these locations.

Are you looking to launch a 'new' Shariah compliant futures contract, or kilobar contract will be made Shariah compliant?

SGX has been driving innovation across our derivative offerings as the market evolves. In December 2016, the Singapore Kilobar Gold Contract became the world's first and only Shariah-compliant gold futures – a development that

strengthens Singapore's position as an international centre for Islamic finance, and builds on our vision to develop a global trading hub for gold.

To date, about 8 tonnes of gold have traded on the contract – baby steps but an important series of footprints in evolution for a 300 year old market where "fixings" started a century ago.

Your views about the APPMC. How will it help the trade in the regions?

Given the fast-evolving regulatory climate and possibilities with new technological infrastructure, the APPMC is highly relevant as a platform to drive industry consensus, discuss key issues facing the industry, and promoting conversations and thought leadership. With Asia accounting for over 60% of physical gold trade, the conference will promote industry trade and conversations by bringing together key stakeholders, many of whom will be instrumental in shaping the gold landscape in this region in the years to come.



Disclaimer: Views are personal and not the views of the publisher.

Anticipating Liberalization of Vietnamese Gold Market Soon

Huynh Trung Khanh, MD, Vietnam Gold Consultant, highlights various facets of Vietnamese gold market in a candid talk with **Debajit Saha**, Editor, **Bullion Bulletin**, during Asia Pacific Precious Metals Conference, 2017 in Singapore. Excerpts...



Government has more open view about gold market now and we are anticipating new opening towards the process of liberalization. But this time we are anticipating the reform will be done step by step. First, there is need to boost the gold jewellery production and then boosting the gold jewellery export; and later on, we may see an effort to mobilize the idle gold lying in Vietnamese households. There is estimated 500 tons of gold lying in household, and effort may be put to mobilize that gold and channeling it to economy.

There is strict restriction on gold import in Vietnam by the government. Do you think is it impacting the business as a whole?

Before 2010, market was more or less free. There was lot of production and trading in gold bar. The figure, that government released, tells us that we have more than \$20 million SJC gold and dragon tael bar we produced and traded in the market. So, you can see the importance of

market. But because of this large scale trading, it had impacted negatively which augmented rise in inflation and foreign exchange rate. So in 2012, government had decided to implement control on import, export and production of gold bar. Since then, production and trading have been stalled. Consequently, the premium in gold bar has been increased very high.

If the premium is high and if I presume Vietnam wants to export gold jewellery, I think the country can not compete with competitors.

It is true. Vietnam can not compete with competitors like Thailand,

Malaysia, and Indonesia because of high premium in gold. That is why Vietnam Gold Association has made a petition to government to allow gold import more freely so that jewelers in Vietnam can bring down the cost of their produce for the local consumers and at the same time, it will enable them to export as well. I think the government along with central bank has realized this and hopefully, they may open up their gold management policy this year so that traders can import physical gold more freely.

What is the total demand of gold in domestic market in Vietnam?

Vietnamese have same affection to

gold like any other Asian countries. Like India or China, Vietnamese also buy lot of gold during wedding or marriage anniversaries, or on occasion of new born baby and so on. Vietnamese also buy gold for the means of saving and as hedging against devaluation of national currency. That's why figures from Thomson Reuters GFMS or Metals Focus show that in last ten years, we had imported and consumed around 860 tons of gold. So, on yearly basis, we have requirement of about 80 to 90 tons.

Is there any possibility of gold mining in Vietnam?

We have some gold mine in Central Vietnam and a few located in North, but we do not have exact amount of gold that these mines are producing. But, in my estimate, it should not be more than 3 tons in a year. So, compare to demand of 80 tons that we have, this mined gold is not sufficient to meet the local demand. Government did geological survey in various regions and we come to know that there is probable deposit of gold in remote areas bordering Laos, but those information is not available at present. There is need to build roads, highways to reach those places, and for that, there is need for investment in infrastructure development. I think government is opening up the economy and exploring the opportunity to

attract investment to build the infrastructure so that those natural resources could be explored.

What kind of new changes we can anticipate to see in Vietnam gold market?

Government has more open view about gold market now and we are anticipating new opening towards the process of liberalization. But this time we are anticipating the reform will be done step by step. First, there is need to boost the gold jewellery production and then boosting the gold jewellery export; and later on, we may see an effort to mobilize the idle gold lying in Vietnamese households. There is estimated 500 tons of gold lying in household, and effort may be put to mobilize that gold and channeling it to economy. We are also eyeing establishment of a gold exchange, like one in Shanghai, to facilitate trading not only for domestic players but also of foreign participants.

Is there any possibility of coming up of SEZ for export oriented gold manufacturing in near term?

Vietnam does have multiple SEZ, but I have not heard anything exclusively for gold industry. But, any company, either domestic or foreign, wants to export gold jewellery can set up its unit in any of those SEZ. Of course, if demand of Vietnam gold jewellery increases

in foreign market, I have no doubt dedicated SEZ for gold industry is a possibility.

What kind of design is visible in Vietnam gold jewellery?

We always follow a trend. For example, we followed a trend first from Italy and its neighbours, and then coming to our neighbourhood like Singapore, Thailand, and now we have designs of our own. The local jewellery companies like PNJ really developed jewellery based on Vietnam design and we can now export exclusive Vietnam designed jewellery in regional markets.

APPMC is big initiative by SBMA for developing regional markets. How are you conceiving this conference as an opportunity?

I think it is a very good opportunity for the all the regional market representatives to meet up, to discuss and explore the opportunity to do trade. Now, the Asian economies are very important from global economy's point of view. Not only regional players, through this conference we are also seeing participants coming from China, India, and I hope SBMA has done tremendous job and wish this good work will be continued in future.



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There is Confusion how the GST will be Charged

Ermin Siow, President, FGJA, Malaysia, talks critically on issues like impact of GST on jewellery export, about domestic market, conservative reporting of domestic demand by market observers, the initiative of FGJA to engage in dialogue with government to resolve some of the problems that trade participants are facing and many more in a conversation with **Debajit Saha**, Editor, **Bullion Bulletin** during Asia Pacific Precious Metals Conference, 2017, Singapore. Excerpts....



Malaysia's gold jewellery fabrication has come down in recent years.

What are the reasons behind this slump?

I think overall jewellery market is facing some slowdown which is affecting the export as well. It is because government of Malaysia has introduced GST in April, 2015. For this, jewellery exporters are facing problem in bringing in gold bullion.

When GST was introduced, government initially restricted the import – only exempted LBMA accredited gold bars to be imported. But in 2016, a new amendment came which requires importers have to apply for permit before they import LBMA or non-LBMA gold bar. This additional new amendment created some problem with importers. New amendments also caused some problem with exporters. Previously they could bring bar exempted from GST

provided bars should be LBMA accredited, but now they need to have additional permit and one of the conditions for applying for the permit is to providing the bank guarantee to the government based on monthly forecast import. So, it is quite a problem for some importers in terms of managing cash-flow.

At the same time, since GST is new, there was some problem initially before the implementation of GST as well as post implementation by the customs in collecting the GST. To overcome this problem, we have taken steps in association level to talk to customs officials to come to terms best suitable for traders. The problem is more of administrative; there is confusion how the GST will be charged. If the GST will be charged on the total value of export or it will be charged on craftsmanship or labour charge. The argument is basically for how the invoice should be done.

We have information that some medium sized exporters have closed their operations. It is really very unfortunate. We are really engaging with government to sort out this issue; we are in discussion with government to figure out what can be done and what can not be done correctly so that no confusion whatsoever arises in respect of GST collection.

How big is the domestic jewellery market in Malaysia?

If you look at the numbers of survey made by major gold consultants - for me, the numbers are very conservative. They have mentioned 10 to 15 tons, but for me consumption is more than that. I believe consumption is about 20 to 25 tons in a year. Why I am saying so because my own company's yearly turnover is close to 4 tons and there are other big players in the market. In Malaysia, there are altogether more than 3000 retail outlets as a whole and so the consumption must be more than what has been estimated.

What is the total scrap supply in the market?

It varies on based on seasonal demand. On an average, 30 to 50 percent old gold comes to the market for exchange of new gold. But, of late, may be due to slowdown in market condition or any other reason, the percentage has come

down significantly. People who come with their old jewellery either exchange with new jewellery, or they sell the old and buy new gold. But majorly, exchange takes place more than outright sell and purchase.

Tell us about Malaysia's jewellery export. What is the current trend?

Malaysia is very strong in plain gold 22k segment in export market. We export to Middle East countries like UAE. From late 1990s, we used to export close to 60 to 70 tons in a year, but it has come down a bit in recent years. We are now exporting close to 50 tons in a year.

How is gold retailed in Malaysia?

Multi outlet chains are more or less dominating the Malaysian market. They generally open stores in shopping malls and handle more customers than single retail chains in smaller towns.

Malaysia is sharing the border of Singapore. How does Malaysia can utilize this advantage to develop the regional market?

We do have few manufacturers based in southern part of Malaysia who export finished jewellery through Singapore. But of late exporters in Penang region are exporting directly and so the trend of exporting jewellery via Singapore is coming down. However, the proximity of Southern part of Malaysia with Singapore has logistic

advantage and for that reason, trade will continue. Of course, there is GST in both sides, but that is not a hindrance. Lot of Singapore shops also I think source gold from Malaysia.

What is your observation about the importance of Asia Pacific Precious Metals Conference to develop regional market?

For me, it is an excellent platform for business players in and around the region to get together and explore the scope of business opportunities. It is a good initiative by the SBMA and I think government is also encouraging this kind of activity to develop Singapore as gold hub. It will also help developing the regional markets as well.



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Myanmar is Looking to Integrate itself with Global Markets

Khin Maung Han, President, Myanmar Federation of Mining Association, discusses about Myanmar's potential as new market for gold in the region in a liberalized political environment in the country, importance of signing MoU with SBMA to enter its footprint in global gold supply chain and many more in a conversation with **Bullion Bulletin**. Excerpts...



All the minerals in the country belong to government, which means we must give royalty to the government. Depending on the minerals and production, we need to pay the royalty to the government. It ranges from 1 percent to 5 percent. For example, gold falls under 5 percent for all productions. Additionally, we need to pay commercial tax and corporate tax.

What are the initiatives taken by your government to explore the possibility of identifying gold deposits in the country and at the same time, exploit them?

Our earlier government never encouraged the exploring of minerals including precious metals. Now the new government has come up and they are looking to establish free flow of goods including labour. That's why we have started export. For gold, we want to integrate Myanmar

with global market. So we set up gold central market in Myanmar as first step towards achieving that global market integration.

How much gold mining is taking place currently?

We have three sectors of miners – large scale, small scale and artisanal mines. We have also well defined law which stipulates product sharing, profit sharing, equity sharing etc. That's why we are still domestically driven sector.

How conducive is mining policy to attract Foreign Direct Investment?

In Myanmar FDI are not allowed directly, but joint ventures can be done. The local company at least should hold 20 percent in the joint venture.

How much is the tax on mined gold?

All the minerals in the country belong to government, which means we must give royalty to the government. Depending on the minerals and production, we need to pay the royalty to the government. It ranges from 1 percent to 5 percent. For example, gold falls under 5 percent for all productions. Additionally, we need to pay commercial tax and corporate tax.

You have signed a MoU with SBMA.

What is all about?

First to say, we are introducing ourselves, our products to a foreign market. SBMA is representative of ASEAN countries and so we have

come to this conference (APPMC) and also signed the memorandum. If we become member of SBMA, we can introduce ourselves to other ASEAN countries so that we can source technology that we may need for, we can enter other market to trade etc. Our aim is to make our country's product competitive to other regional countries so that people of Myanmar and economy of Myanmar could be benefitted.

Are you also looking to build a refinery sector as well?

There is need for world class gold refinery in Myanmar. We have to make sure the quality of the products which could be achieved through technological advancement of our refining process. We need to establish Myanmar Gold Standard so that we can make products truly at par with global standard.

At present we have refinery in the country and we can make 999 gold. But we need to upgrade the process

so that we can produce 9999 gold.

We have currently small refineries in the country, but one refinery can refine 100kg/day at present. We are sourcing our raw materials from domestic mines and also getting recycled gold or scrap as our refinery feed.

Refinery is not the only one that we are looking to develop – we are looking to participate in global trade and for that reason, we are hoping that SBMA will help us in building that entire supply chain. Our government is looking to expand trade relationship to China on the east side and India on the west. Our mining law strictly conforms responsible mining and at the same time, sustainable mining. We have multi-stakeholder structure comprising government, the private sector and the civil society and together we are committed to responsible mining. We are also committed to protect our 'environment' while executing the mining activity.



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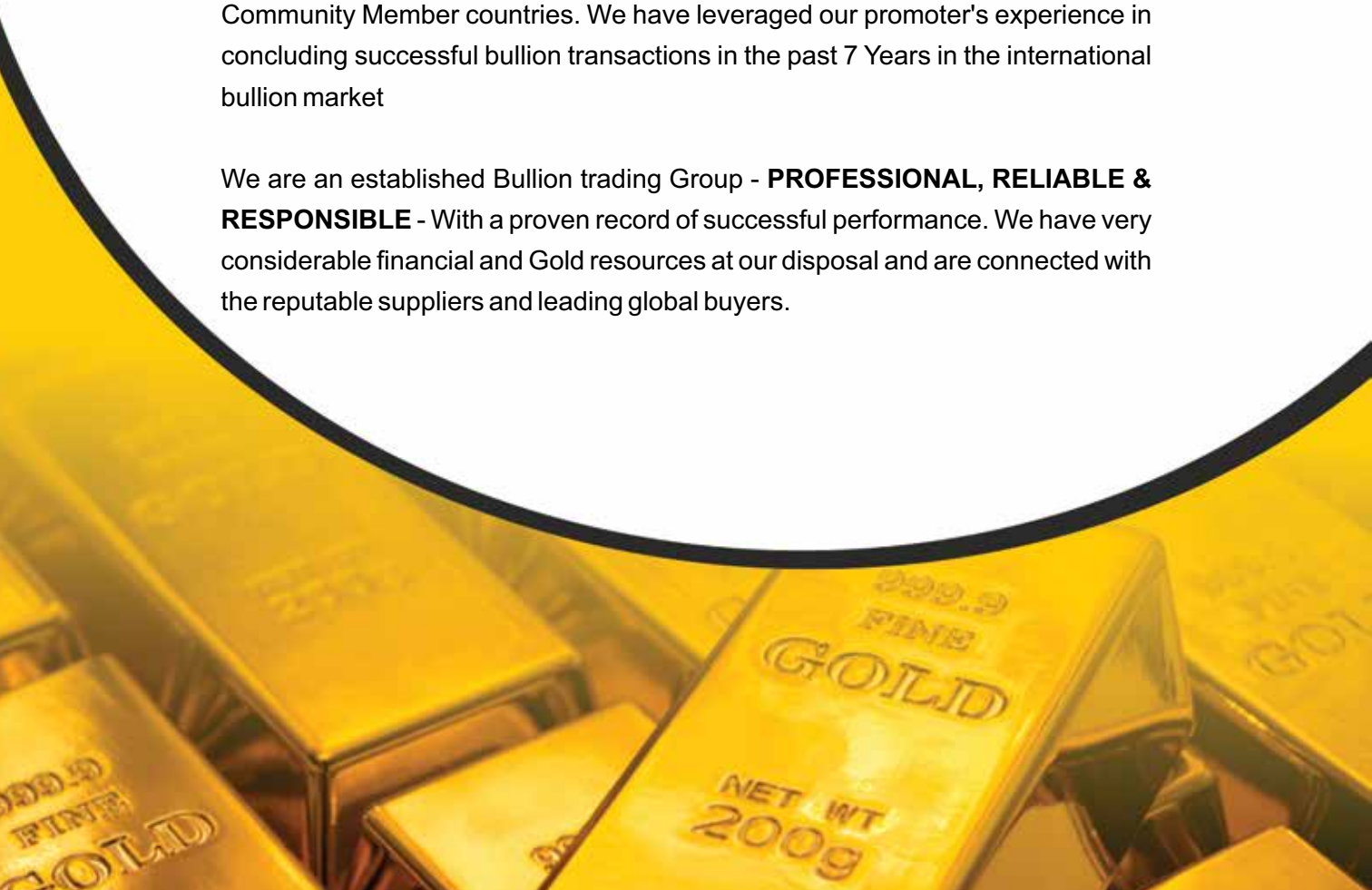
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Impact of GST in Gold Sector

CA Surendra Mehta, IBJA



It remains to be seen whether bank would be seriously interested in blocking their working capital till such goods are sold to bullion dealers. It will be also challenging for the banks to ensure that same GST paid during import is collected during sales, as GST on import is to be paid on tariff value plus custom duty but on sale GST is to be collected at selling price.

After lot of controversies and speculations hovering around GST rate on gold Govt. has finally decided with 3% GST rate on entire gold sector. Everyone in the industry is rejoiced with this rate and hoping to have business as usual in the entire sector. GST rate on making charges is fixed at 5%. However, there are certain procedural issue which needs special attention of bullion importers, jewellery manufacturers, refiners, retailers, etc.

Currently nominated agency import gold in the country on a consignment basis by paying full custom duty on tariff value. These nominated agencies are required

to pay VAT only when the goods are sold by them to the bullion dealers. However, under GST regime integrated goods and service tax (IGST) on import of material is required to be paid immediately on clearing the goods from customs. It means that nominated agencies will be required to block working capital in form of 3% GST even when goods are imported by them on consignment. It remains to be seen whether bank would be seriously interested in blocking their working capital till such goods are sold to bullion dealers. It will be also challenging for the banks to ensure that same GST paid during import is collected during sales, as GST on import is to be paid on tariff value

plus custom duty but on sale GST is to be collected at selling price.

Refiners are keeping their fingers crossed and still awaiting for announcement of new basic custom duty structure as CVD on import will no longer exist in the GST regime. In my opinion Dore refiners need not fear as entire CVD of 9.35% is likely to be converted to basic custom duty. Some of the Dore refiners in backward area who are in the tax free zones currently are getting 0.60% benefit on import of Dore as compared to other Dore refiners. It remains to be seen whether state Govt. pages on backward area tax benefit of 0.60% to these refiners.

Most of the jewellers get their jewellery manufactured through job workers. Many of their job workers are not likely to be registered under GST as most of them are likely to be under threshold of rupees 20 Lakhs. However, a new concept of reverse charge mechanism (RCM) has been introduced under GST where a jeweller is required to pay GST under reverse charge mechanism when job worker is not registered. Further it is a common practice by a job worker to charge wastage in form of labour. GST act doesn't permit wastage and

clearly says that all input credit on wastage, losses are to be reversed. Hence, the entire accounting process of job work will become a difficult task. The treatment of wastage and losses leads to double GST payment, as once input credit is to be reversed and secondly GST on labour charges debited to profit and loss account will also be required to be paid.

Following are the frequently asked questions, in respect of GST.

1. What will be the GST on Gold and Gold Jewellery?

GST rate on gold jewellery is 3%. However jewellers have to pay 5% on making charges on making jewellery but will be able to recover only 3%. Input credit of 2% will be available as refund, on making charges, if any.

2. What is the turnover limit for registration under GST?

Turnover limit for registration under GST is Rs.20 Lacs. However, for Northeast States this limit is Rs.10 Lacs.

3. Is "Karigar" required to take GST number?

Yes, if his income from making his jewellery exceeds from Rs.20 Lacs per annum than he must obtain GST

number.

4. If a registered jeweller gets his job work done from outside "Karigar" than how GST will be applicable?

If a "Karigar" is also registered under GST than he will recover GST on making charges from jeweler. But if "Karigar" is not registered than jewellers will have to pay tax on making charges paid to "Karigar".

5.If the jeweller has its own manufacturing unit how GST will be applicable?

To run a manufacturing unit one is already paying GST for power bills, telephone bills, purchase of goods, rent, consultancy fees, etc.

6. How the GST will be applied on repairing of jewellery?

GST will be applied on repairing charges only. However if some gold is added while repairing goods, GST is used to be paid on additional gold used for repairing.

7. A customer wants to exchange a coin/bullion into ornaments how GST will be applied?

Since the customer is exchanging one product to the other; GST will be levied on full value of the product. If customer is unregistered, than jeweler will also have to pay GST on bullion received from customer apart

Most of the jewellers get their jewellery manufactured through job workers. Many of their job workers are not likely to be registered under GST as most of them are likely to be under threshold of rupees 20 Lakhs. However, a new concept of reverse charge mechanism (RCM) has been introduced under GST where a jeweller is required to pay GST under reverse charge mechanism when job worker is not registered.

from payment of GST on full value of product exchanged.

we are seeking clarity on these issue from government.

8. How will GST apply if a customer wants to convert a chain to a mangalsutra?

Since original product is getting converted to different product, GST will be levied on full value of mangalsutra. However, if it is termed as repairs only than GST will be payable on additional gold value and labour charges.

9. Is it necessary to write making charges separately while raising invoice to the customers?

If the international standards are to be adopted making charges and wastage must be written separately while rising invoice to the customer. However, government has stated that jewellery will be taxed at 3% and hence there is no need to write making charges separately. However,

10. Is it necessary to prepare voucher etc. while issuing goods to “Karigar”?

Yes, otherwise goods can be confiscated.

11. Sometimes, one “karigar” directly send goods to another “Karigar” in that case is it necessary to prepare voucher etc.?

Yes, otherwise goods can be confiscated.

12. My man takes 20kg. Goods to different states of which he brings back some goods and he sales some goods, how SGT will be levied?

GST will be levied on all goods which are sold, but he cannot take goods to other states where you don't have office and where you

have not applied for casual taxable number in that state.

13. I have one shop/office in Mumbai and another shop/office in Surat how GST will be levied?

While transferring goods from one office to another which is in different state GST will be levied. However, input credit for be same will be available.

14. If the goods are transferred for exhibition to a different state how GST will be levied?

GST is always levied on supply but when the goods are taken to the exhibition there is no supply hence, GST shouldn't be levied but clarifications

15. My man takes 20kg. Goods to different states of which he brings back some goods and he sales some goods, how SGT will be levied?

GST will be levied on all goods which are sold, but he cannot take goods to other states where you don't have office and where you have not applied for casual taxable number in that state.

16. I have one shop/office in Mumbai and another shop/office in Surat how GST will be levied?

While transferring goods from one

office to another which is in different state GST will be levied. However, input credit for be same will be available.

17. What precautions are required under GST?

The violation of GST is subject to penalties and precaution hence it is important that GST is followed rigorously.

18. If the goods are transferred for exhibition to a different state how GST will be levied?

GST is always levied on supply but when the goods are taken to the exhibition there is no supply hence, GST shouldn't be levied but clarifications from government are required. Current law says that GST will be applicable for movement of goods from one state to another for trade fairs and exhibition.

19. Give an example of GST?

Purchase:-

	Price	GST rate	GST
Bullion	300000	3%	9000
Labour	10000	5%	500
Telephone Bill	1000	18%	180
Total Rs.	311000		9680

Sales:-

	Price	GST Rate	GST
Jewellery	450000	3%	13500
Total Rs.	450000		13500

GST to pay to government:	Rs.
Sales –	13500
(-) Purchase –	9680
Pay Government -	3820

20. Can a businessman sent goods on approval to customer?

Yes, a businessman can send goods on approval for a six months period and tax is required to be paid only when goods are approved by the customer.

21. Will businessman be required to declare stock as on 30th June 2017 if GST is implemented from 1st July 2017?

Yes, stock is to be declared, within 90 days.

22. Should job worker himself compulsorily registered under GST?

Yes, he must get himself registered because if he is not registered tax is to be paid by the jeweler for all job work done by job worker.

23. Will VAT credit on old stock will be available?

If VAT credit is available as per VAT return; same will be transferred and available.

24. Will excise credit on old stock will be available?

In my opinion if excise paid is

1%, than excise credit will not be available.

25. What is reverse charge mechanism?

When you purchase goods, or make jewellery or spend any expenditure through unregistered dealer, a registered jeweller is required to pay GST on reverse mechanism.

26. What is E- way bill?

When the goods are transferred from one place to other, form one office to other, E- way bill must be prepared. The responsibility of preparing E- way bill will be of a person who is transferring the goods. E-way must be prepared on GST portal where in EBM number will be allotted. If goods are found to be moving without E-way bill same can be confiscated. However, Govt. has deferred E-way bill for time being.

27. How many return are to be filed every year?

Approx. 37 returns per branch are to be filed every year.



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**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

Notification

No. 50 /2017 –Customs

New Delhi, the 30th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3, of Customs Tariff Act, 1975 (51 of 1975), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2012 -Customs, dated the 17th March, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 185 (E) dated the 17th March, 2017, except as respects things done or omitted to be done before such supersession, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table below or column (3) of the said Table read with the relevant List appended hereto, as the case may be, and falling within the Chapter, heading, sub-heading or tariff item of the First Schedule to the said Customs Tariff Act, as are specified in the corresponding entry in column (2) of the said Table, when imported into India,-

(a) from so much of the duty of customs leviable thereon under the said First Schedule as is in excess of the amount calculated at the standard rate specified in the corresponding entry in column (4) of the said Table; and

(b) from so much of integrated tax leviable thereon under sub-section (7) of section 3 of said Customs Tariff Act, read with section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) as is in excess of the amount calculated at the rate specified in the corresponding entry in column (5) of the said Table,

subject to any of the conditions, specified in the Annexure to this notification, the condition number of which is mentioned in the corresponding entry in column (6) of the said Table:

S.No.	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Integrated Goods and Services Tax	Condition No.
355.	71	Silver dore bar having silver content not exceeding 95%	8.5%	-	9 and 40
356.	71or 98	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger (ii) Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls	10%	-	41
357.	71 or 98	Silver, in any form including ornaments, but excluding ornaments studded with stones or pearls, imported by the eligible passenger	10%	-	41
358.	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation.- For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of jewellery in place.	10% 10%	- -	- -
359.	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	10% 10%	- -	- -



GJEPC to set up Gem & Jewellery Training Institute in Udupi, Karnataka

Smt. Nirmala Sitharaman, Hon'ble Minister of State(IC), Commerce & Industry graced the Foundation Stone Laying Ceremony

First of its kind in Southern India, aims to boost G&J sector in the region

16th June, 2017, Udupi: The Gem & Jewellery Export Promotion Council, apex gem & jewellery trade body in India, laid the Foundation Stone for a premier Gem & Jewellery Training Institute today in Udupi. Indian Institute of Gems & Jewellery (IIGJ) is being set up in association with National Institute of Design(NID), Ahmedabad. This training centre shall be amongst the series of Training Institutes & Facility Centres set up by GJEPC across India. With IIGJ Udupi, GJEPC forays into Education & Training field in the Southern India for the first time. **Smt. Nirmala Sitharaman, Hon'ble Minister of State(IC), Commerce & Industry, Govt. of India graced the Foundation Stone Laying Ceremony. Also present at the occasion was Shri. Manoj Dwivedi, Joint Secretary, Ministry of Commerce & Industry, Govt. of India.**

"Across the Globe, the best of jewellery pieces are majority hand made. Global retail giants like Cartier, Boucheron or Van Cliff command premium prices for their hand made jewellery. India, whose forte lies in crafting most intricate handmade jewellery should capitalise on this opportunity by building necessary infrastructure. By setting up institutes like IIGJ and other facility centres GJEPC once again has come forward to further equip Indian Gem & Jewellery sector and make it globally competitive. I am confident that IIGJ in Udupi will aid in providing exciting career opportunities to youth of surrounding regions in this sector" said Smt. Nirmala Sitharaman Hon'ble, Minister of State(IC),



Commerce & Industry, Govt. of India.

Mr. Manoj Dwivedi, Joint secretary said "With over 100 retail stores and engaging workforce of over 5000 people, Udupi boasts of a rich jewellery lineage. By setting up IIGJ here, GJEPC envisions to productively use the talent available here by providing required

training and guidance. GJEPC has joined hands with NID, Ahmedabad to ensure that best of jewellery and manufacturing courses are offered to the enrolled students. I applaud GJEPC for taking this visionary step which would not only skill the youth but also create more job opportunities in Southern India”

Commenting on setting up of Institute, Praveenshankar Pandya, Chairman, GJEPC said “IIGJ in Udupi is one of the ambitious projects taken up by GJEPC to tap the unutilised potential of youth in this region and thereby giving a significant boost to Indian G& J sector. This Institute strongly embodies

Honourable Prime Minister’s ‘Make in India’ initiative and much professed emphasis on design & handmade jewellery. It is closely aligned with the vision of Smt. Nirmala Sitharaman, Honourable Commerce & Industry Minister to establish a one of its kind, full-fledged Jewellery Institute at Udupi with strong Design focus. This is yet another step towards the pursuit of “Skill India”.

The Institute will provide training to the youth in the region in various aspects of hand-crafted jewellery making, which could eventually lead to employment opportunities in the G & J sector. It will also aim at enhancing the skills of the existing work force already engaged with the industry. Creation and upgradation of such trained work force will in turn help in fostering development of the local jewellery industry.

The Institute will focus on three levels of skills:

1. NEW SKILLING for developing fresh skills in candidates who have no prior domain learning/ working knowledge of jewellery
2. UP-SKILLING for upgrading the skills of candidates



who have prior domain learning and are already working in the sector.

3. Give a design & technological orientation to the local industry to be competitive in the Indian & world market

Keeping the objectives in mind, the Institute shall offer Manufacturing & CAD designing courses on jewellery. Indian Diamond Institute, based in Surat & IIGJ has been involved on behalf of GJEPC to collaboratively develop the programme curriculum with NID, India’s Premier Design Institution.

For more enquiries on Institute, please contact: Mr. R. Surya Narayanan, Assistant Director, GJEPC, Chennai, Tel: 0091-44-2815 5180, Fax: 0091-44-2815 4526, Email: gjepcsr@vsnl.com / chennai@gjepcindia.com / surya@gjepcindia.com

For more information on press release, contact: Ms. Dolly Choudhary, Dy. Director, Promotions & Marketing, GJEPC at dolly@gjepcindia.com



Press Release



“Labham” – an educational seminar on compliance & best business practices for the gems & jewellery trade powered by Fischer and Prime Hallmarking Centre & organized by GJF on 5th June, 2017 at Mumbai.

An intensive One-Day Educational Program to cover topics such as Features of Budget 2017-18, Hallmarking, GST & Direct Taxation

Mumbai, 8th June, 2017: All India Gems and Jewellery Trade Federation (GJF), the apex trade body of gems & jewellery, conducted yet another ‘Labham’ powered by Fischer, Prince Hallmarking Centre and co-powered by Dosti Realty on 5th June 2017 in Mumbai. We also received a whole hearted support from our associate sponsors Nakoda Hallmarking, Augustino, Acme Infinity, supported by Waman Hari Pethe Jewellers, Maharashtra Saraf Suvarnakar Mahamandal & Jagannathn Gangaram Pednekar Jewellers.

GJF has conducted 3 successful seminars in Mumbai in May 2017 and has plans to conduct almost 30 such seminars pan India by the end of 2019.

Labham which is an interactive and intensive one-day educational seminar on compliance, risk management and best business practices in the gems & jewellery industry received good response in locations – Zaveri Bazar, Ulhasnagar and Dadar as yet. Approximately 120 jewellers attended the sessions in Labham seminar held in Dadar on 5th June 2017. The seminars were conducted by renowned Chartered Accountant and subject matter expert Mr. Avinash Ravani. The seminar topics include:

Key Features of Budget 2017-18

Hallmarking

Goods and Service Tax (GST)

Direct Taxation

Mr. Nitin Khandelwal, Chairman, All India Gems & Jewellery Trade Federation (GJF), said, “We are overwhelmed with the response of the jewellers in Mumbai for Labham. We believe that this day-long seminar will benefit the jewellery businesses and the community and will help the jewellers to understand the complex practices of doing business more effectively.

Mrs. G V Sreedhar, Convenor – Labham said, “It is a great initiative of GJF & I truly support this with all my heart. This is one such program that literally brings together all the groups (viz, manufacturers, traders & retailers). We are going to take Labham across cities pan India and we hope that you keep supporting us like always. Labham compliance guide was distributed to all attendees during the seminar and they were urged to refer the book. We are 24X7 available for the industry if they have any doubts regarding compliance and operations.

About GJF: GJF is a national trade federation established for the promotion and growth of gems and jewellery trade across India. It represents over 5,00,000 players comprising manufacturers, wholesalers, retailers, distributors, laboratories, gemologists, designers and allied services to the domestic Gems & Jewellery industry. The Gems & Jewellery industry is a hand crafted and labour intensive with over 1 crore strong labour force engaged in the manufacturing of jewellery industry in the domestic sector. The domestic industry is estimated to be in the region of Rs. 4,80,000 crores today with the potential to grow to Rs. 5.5 lakh crore by 2018. The Federation’s mission is to promoting the trade by protecting the interests of its members and helping them achieve overall progress. GJF serves as an interface between the Government and the industry, providing regular news updates on Government notifications, rules and regulations, conducting national level programmes and launching initiatives for trade promotion and development, partnering with educational and research institutes for skill development and promotion of gem and jewellery education, undertaking CSR activities on behalf of the trade, besides numerous other functions.

To register, interested participants can call Mr Ninad at GJF.

Mobile: 02267382700 or mail at ninad@gjf.in

For further information:

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Confusion over tax on old gold exchange

Huge confusion prevails on the interpretation of rules regarding exchange of old

gold ornaments for new ones and on ornament making charges from customers' own gold, which could end up in their having to bear a burden higher than the 3 per cent GST rate fixed on gold and the 5 per cent rate on making charges, the All India Gem & Jewellery Federation (GJF) has said. This confusion, however, does not affect those wanting to buy new jewellery from any jeweller, which attracts 3 per cent.

The leading jewellery body is hoping the government will "clear the air" on the interpretation in the shortest possible time, GJF chairman Nitin Khandelwal told ET. The GST Council created a separate 3 per cent slab for gold after hectic parleys and industry representation. It also acceded to the industry demand that making charges on jewellery be cut to 5 per cent from the 18 per cent on job work for other sectors. The slabs of GST are zero, 3 per cent (precious metals and diamond), 5 per cent, 12 per cent, 18 per cent and 28 per cent.

While purchase of new ornaments will attract GST of 3 per cent, when a customer opts to exchange old jewellery for new, the jeweller at time of purchase has to pay a reverse charge of 3 per cent to the government, since the buyer is an unregistered dealer and GST is on supply. The jeweller will recover this from the customer. Say, if a customer wants to exchange an old, 10 gm necklace worth ` 30,000 for a new one, the jeweller will first deduct 3 per cent on that when purchasing it from the customer. This will have to be deposited with the government. Then, a new necklace is made and sold to the customer for say ` 33,000, the jeweller will once again apply a 3 per cent (` 990) GST to that. So, the customer will be burdened by double tax. The industry body hopes that Customers exchanging old gold be exempt from GST.

In case a customer has gold bars and wants a necklace to be made from them, he will be charged only making charge. But GST rules say that job work undertaken by a registered dealer (jeweller) for a URD (customer) will attract 18 per cent tax.

Also, if a jeweller goes to a wholesale manufacturer for getting jewellery made, and the latter gets it done from a karigar, he pays 5 per cent as labour charges to the karigar. But, the tax on making charges for the jeweller will attract an 18 per cent levy. This also will be ultimately recovered from the customer. "Here the manufacturer is deemed to be agent and the jeweller principal and for this job work is taxed at 18 per cent, instead of the 5 per cent fixed on labour for jewellery. It needs to be clarified that there is no principalagent relationship here. Till then, the confusion persists and that 5 per cent should apply to the customer," added Khandelwal. Making charges on jewellery are on average 10 per cent of the cost of gold, said Avinash Gupta, a jeweller.

Source: www.economictimes.indiatimes.com



Area-based excise breaks in NE, hill States will shrink under GST

"The government is finalising a

mechanism to align the existing exemptions given by North-Eastern and hill States with the GST regime," a government official told BusinessLine.

"Under the new dispensation, industry in hill States will have to pay GST and then file for refund instead of getting an exemption. Additionally, the refund will be calculated only on the value added by industry and will be restricted to the Centre's share of the tax," the official added.

States will also not be allowed to extend the area-based exemptions once the existing schemes expire, points out Uttarakhand Finance Minister Prakash Pant.

"The area-based exemptions specified under the Uttarakhand Industrial Policy, 2010 provided for 100 per cent excise duty exemption for 10 years till 2020. The State cannot extend the exemptions beyond 2020 consequent on the GST rollout," the Minister said. There are few prospects of getting a reimbursement of the States' component of the tax as GST is a destination-based tax and it is not unrealistic to expect States to give refunds to industry in another State. A notification clarifying the details is likely to be put up soon. It was decided at the GST Council meeting that collections under IGST will be shared in the ratio of 58:42 between the Centre and the States. "The area-based exemptions will be reimbursed to the industries out of the 58 per cent share that accrues to the Centre," Pant confirmed.

The excise exemption for Jammu and Kashmir and the North-Eastern States is to expire in 2020 and 2017 respectively. This means that in the North-East, those who started producing before March 31 2017 will be eligible for the tax benefit till 2027. All such units will get refunds under the new mechanism being finalised. While the exemptions for Himachal Pradesh and Uttarakhand expired in 2010, the tax waiver will continue till 2020 in most cases.

Source: www.m.thehindubusinessline.com

Options on gold futures may be launched in August

Traders of equity options will soon get a new product to punt or hedge on -options on gold futures. MCX, the country's largest commodity derivatives exchange, could introduce the options by August, two persons familiar with the development said. One of them said the chief draw for equity option players would be the cheaper cost to trade.

The cost to trade one lot (1 kilo) of gold futures at Rs 28.6 lakh was Rs 1.43 lakh, or around 5% intraday on Thursday. An option contract will be available at just a fifth of that, or Rs 29,000, said one of the persons. The gold futures contract is costlier than trading even one lot of TitanBSE -0.24 % futures at Rs 1.25 lakh intraday on



Thursday.

"This (gold options) would be a draw for those who want to take exposure to commodity F&O at a cheaper cost," said the other person.

"August would be when the exchange most likely launches its options."

Source: www.economictimes.indiatimes.com



India's Gold buying from Switzerland shoots up 40% m/m in May

India's gold imports from Switzerland has shot up by 40% month-on-month

to 68 metric tons during the month of May this year and up from 18.5 metric tons in May 2016, according to the Swiss Federal Customs data.

Indian gold buying is believed to have climbed in anticipation of widespread tax reforms to India's economy, which includes a new 3% goods and service tax on gold, to be levied from July 1.

India was the biggest destination for Switzerland's gold for the fifth straight month, with 68 metric tons and is the largest export volume to the country for 18 months. India has imported 236 metric tons of gold during January to May this year, an increase of 105 percent from the same period a year earlier and the highest for at least three years.

Switzerland total gold export has reached 170 metric tons during the month of May, a sharp increase of 39 percent from 122 metric tons a month early and down 2% from 174 metric tons in May 2016.

Source: www.scrapregister.com





Canada accepts first export of conflict free artisanal gold from Eastern Congo

A Canadian jeweller has completed the first

export of responsible and conflict free artisanal gold from Eastern Congo, just one month after a new responsible gold supply chain system was implemented in the region.

Partnership Africa Canada (PAC) launched the Just Gold Project as a pilot project in 2015, but successfully moved beyond pilot phase into a fully-fledged operation earlier this year.

The jewellery company, Fair Trade Jewellery Co, based in Toronto, Canada, successfully received an export of 238 grams in three gold doré bars. The move represents the very first time any consumer goods will be made out of conflict-free artisanal gold from Congo that is fully traced from mine, throughout the supply chain, through to consumer.

Upon receiving the gold, the Toronto team refined, alloyed and designed four responsibly-mined and conflict-free artisanal gold rings. Each ring has been engraved with a lot number, which traces it to a specific mine site in the DRC's Ituri Province, where the gold originated.

"Sourcing from Congo was a new and exceptionally ambitious process, but one to which our organization is committed to and capable of achieving thanks to partners on the ground, like Partnership Africa Canada," said Robin Gambhir, Fair Trade Jewellery Co. co-founder.

"This export from Bunia, DRC to Toronto proved that it is possible to bring Canadian and international consumers traced conflict-free Congolese artisanal gold. What is particularly exciting is that we have shown that every gram of gold can be accompanied by reliable quantitative and qualitative data about its provenance and the actors involved in its extraction, production and trade," said Joanne Lebert, Partnership Africa Canada's Executive Director.

Source: www.miningglobal.com



Ghana's gold output jumps to 4.13 million ounces in 2016 Mon June 05 2017

Ghana's gold output rose 46 percent in 2016 compared to the previous year as new

projects came on stream and artisanal mining output expanded, the Ghana Chamber of Mines said in a report on Friday.

Total gold output stood at 4.13 million ounces, the highest level in nearly 40 years, up from 2.84 million ounces in 2015, the report said.

"The steep upswing in the country's main mineral export, gold from 2.8 million ounces in 2015 to 4.1 million ounces in 2016 was driven by fresh production from Asanko Gold Ghana Limited on the first Phase of its Obotan Mines and substantial increase in export through the Precious Minerals Marketing Company (PMMC)," the report said.

Besides, AngloGold Ashanti's Iduapriem and Newmont's Ahafo recorded growth in production.

Output from artisanal miners rose nearly five-fold to 1.5 million ounces in 2016 from 267,662 in the previous year.

Total gold revenue rose 55 percent to \$5.15 Billion relative to the \$3.32 billion dollars recorded in 2015.

Manganese output also rose to 2 million tonnes last year from 1.2 million tonnes, while diamond production slipped to 143,005 carats from 185,376 carats in 2015.

Mr Kwame Addo-Kuffuor, President of the chamber, said the mining sector has huge potential to support the accelerated economic development and growth of the country.

Source: www.ghanaweb.com





Developing, Driving and Connecting ASEAN'S Bullion Market

The SBMA is the principal market development agency for the precious metals trade in Singapore.

Our mission is to develop Singapore as ASEAN's precious metals trading hub.

As the first touch point between governmental/regulatory bodies and market participants, we maintain good links and relationships with fellow associations in ASEAN countries and beyond, further connecting our market participants through networking events and outgoing business missions to these countries.

We are also a source of industry knowledge and information, and can share best practices and industry know-how.

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जीएसटी का गोल्ड पर असर

सीए सुरेन्द्र मेहता, आईबीजेए



गोल्ड पर जीएसटी की दर को लेकर लगाये जा रहे सभी कयासों व विवादों पर विराम लगाते हुये अंततः सरकार ने पूरे गोल्ड क्षेत्र में 3% जीएसटी की दर निर्धारित की गयी है। उद्योग के सभी लोगो ने इस दर का स्वागत किया है तथा उनका मानना है कि इससे व्यवसाय में वृद्धि होगी। मजदूरी दर पर जीएसटी ५% तय की गयी है।

हालांकि इस व्यवस्था में कुछ प्रक्रियागत मुद्दे हैं जिस पर बुलियन आयातकों, ज्वेलरी निर्माताओं, रिफायनर, रिटेलरों इत्यादि को विशेष ध्यान देना होगा।

वर्तमान में नामित एजेंसियां भारत में गोल्ड का आयात कन्साइनमेंट के आधार पर पूरा कस्टम ड्युटी का भुगतान करने के बाद किया जाता है। इन नामित एजेंसियों को वैट का भुगतान गोल्ड को बुलियन डीलर को बेचने के दौरान करना होता है। लेकिन, जीएसटी के अंतर्गत आयातित वस्तुओं पर इन्टिग्रेटेड गुड्स एंड सर्विस टैक्स (आईजीएसटी) का भुगतान कस्टम क्लीयरिंग के समय ही करना होगा। इसका अर्थ यह हुआ कि नामित एजेंसियों को कन्साइनमेंट के आधार पर आयात करने के दौरान जीएसटी का भुगतान करने के लिये 3% वर्किंग केपीटल का पहले ही इंतजाम करना होगा। यह बात आगे देखने वाली होगी कि क्या बैंक आयातित गोल्ड को बुलियन डीलरों को बिक्री किये जाने तक के समय के लिये वर्किंग केपीटल को ब्लॉक करना चाहेंगे। बैंकों के लिये यह भी काफी चुनौती भरा होगा कि वह कस्टम क्लीयरेंस के दौरान भुगतान किये

जीएसटी की रिकवरी बिक्री के दौरान करें, क्योंकि आयात के समय जीएसटी टैरिफ वैल्यू तथा कस्टम ड्युटी पर लगाया जायेगा लेकिन बिक्री के समय यह विक्रय मूल्य पर लगेगा।

रिफायनर काफी बेसब्री के साथ नये बेसिक ड्युटी स्ट्रक्चर की राह देख रहे हैं जैसा कि जीएसटी के अंतर्गत आयात पर सीवीडी खत्म हो जायेगा। मेरे अनुमान से डोरे आयातकों को इस बारे में चिंता नहीं करनी चाहिये क्योंकि 9.35% पूरी सीवीडी को बेसिक ड्युटी में परिवर्तित किये जाने की संभावना है। कुछ डोरे आयातक जिनका कार्य टैक्स फ्री क्षेत्र में चल रहा है उन्हें अन्य के मुकाबले 0.60% की छूट मिलती है। यह बात देखने वाली होगी कि क्या राज्य सरकार इस छूट को आगे भी जारी रखेगी।

अधिकतर ज्वेलर ज्वेलरी का निर्माण जाब वर्क के रूप में करवाते हैं। इनके अधिकतर जाबवर्कर जीएसटी के अंतर्गत पंजीकृत नहीं हैं तथा इनमें से अधिकतर का थ्रेशहोल्ड 20 लाख रुपये के अंतर्गत ही है। हालांकि जीएसटी तंत्र में रिवर्स चार्ज मैकेनिज्म (आरसीएम) का प्रावधान किया गया है जिसमें ज्वेलर के द्वारा जीएसटी का भुगतान करना होता है यदि जाबवर्कर पंजीकृत नहीं है। साथ जाबवर्कर के साथ यह आम चलन है कि वे वेस्टेज के रूप में लेबर की लागत लेते हैं। जीएसटी में वेस्टेज की अनुमति नहीं है तथा यह स्पष्ट रूप से कहा गया है कि वेस्टेज, लॉस इत्यादि जैसे इनपुट क्रेडिट रिवर्स किये

जायेंगे। इस तरह से पूरा अकाउंटिंग प्रणाली जटिल बन जायेगा। वेस्टेज व लॉस से जीएसटी का दोबारा भुगतान होगा।

जीएसटी के संदर्भ में निम्न प्रश्न पूछे जाने वाले हैं-

1) गोल्ड व गोल्ड ज्वैलरी पर कितना जीएसटी लगेगा?

गोल्ड ज्वैलरी पर 3% जीएसटी लगेगा। हालांकि ज्वैलरों को मजदूरी पर 5% जीएसटी का भुगतान करना होगा लेकिन वे ज्वैलरी पर जीएसटी के रूप में 3% की रिकवरी ही कर सकते हैं। इनपुट क्रेडिट के रूप में 2% रिफंड उपलब्ध रहेगा।

2) जीएसटी के अंतर्गत पंजीकरण के लिये टर्नओवर की सीमा क्या है?

जीएसटी पंजीकरण के लिये टर्नओवर सीमा 20 लाख रुपये है। हालांकि उत्तरपूर्व राज्यों में यह सीमा 10 लाख रुपये निर्धारित की गयी है।

3) क्या कारीगर को जीएसटी नंबर लेने की आवश्यकता है?

हां, यदि उसकी सालाना आय, ज्वैलरी बनाने से, 20 लाख रुपये या अधिक होती है तो उसे जीएसटी के अंतर्गत पंजीकरण कराना होगा।

4) यदि ज्वैलर बाहर के कारीगर से जाबवर्क कराता है तो इस स्थिति में जीएसटी किस तरह निर्धारित होगा?

यदि कारीगर पंजीकृत है तो वह ज्वैलरी से मजदूरी पर जीएसटी प्राप्त करेगा। लेकिन यदि कारीगर पंजीकृत नहीं है तो ज्वैलर को भुगतान किये गये मजदूरी पर जीएसटी का भुगतान करना होगा।

5) यदि ज्वैलर के पास उसके स्वयं की ज्वैलरी निर्माण इकाई है तो यहां पर जीएसटी का क्रियान्वयन किस तरह से होगा?

निर्माण इकाई के परिचालन में बिजली बिल, फोन बिल, माल की खरीदी, किराया, कन्सल्टेन्सी फीस इत्यादि पर जीएसटी का भुगतान किया ही जाता है।

6) ज्वैलरी की रिपेयरिंग पर जीएसटी किस तरह लगायी जायेगी? जीएसटी रिपेयरिंग की लागत पर ही लगायी जायेगी और यदि इसमें कोई गोल्ड का उपयोग होता है तो उस अतिरिक्त मात्रा पर जीएसटी का भुगतान करना होगा।

7) यदि कोई ग्राहक अपने सिक्के/बार को ज्वैलरी के रूप में बदलना चाहता है तो इस पर जीएसटी किस तरह से लागू होगा? जैसा कि ग्राहक एक उत्पाद को दूसरे उत्पाद से बदल रहा है इसलिये उसे बदले जाने वाले उत्पाद की पूरी कीमत पर जीएसटी देना होगा। यदि ग्राहक पंजीकृत नहीं है तो ज्वैलर को लिये जाने वाले बुलियन के अलावा बदले जाने वाले वस्तु की पूरी कीमत पर जीएसटी का भुगतान करना होगा।

8) यदि कोई ग्राहक अपने चेन को मंगलसूत्र में बदलना चाहता है तो इस जीएसटी किस प्रकार लगेगा?

जैसा कि मूल उत्पाद एक दूसरे उत्पाद के रूप में बदलने जा रहा है इसलिये मंगलसूत्र की कुल कीमत पर जीएसटी लगेगा। लेकिन, यदि इसे रिपेयर के रूप में कहा जाता है तो अतिरिक्त गोल्ड पर ही जीएसटी लगाया जायेगा।

9) क्या यह आवश्यक है कि ग्राहक को इनवाइस देते समय मजदूरी अलग से दिखायी जाये?

यदि इन्टरनैशनल पद्धति को अपनाया जाये तो ग्राहक को इनवाइस देते समय मजदूरी तथा वेस्टेज को अलग रखा जाना चाहिये। हालांकि सरकार ने यह स्पष्ट किया है कि ज्वैलरी पर 3% जीएसटी लगाया जायेगा जिससे इनवाइस पर मजदूरी व वेस्टेज लिखने की आवश्यकता नहीं है। हमने लेकिन इस विषय पर संबद्ध प्राधिकरण से स्पष्टीकरण मांगा है।

10) क्या कारीगर को माल देते समय वाउचर बनाना जरूरी है? हां, अन्यथा माल को जब्त किया जा सकता है।

11) कई बार एक कारीगर के द्वारा माल को दूसरे कारीगर के पास सीधा भेज दिया जाता है, तो क्या इस स्थिति में भी वाउचर जारी किया जाना चाहिये?

हां, अन्यथा माल को जब्त किया जा सकता है।

12) हमारे द्वारा 20 किलो माल हमारे आदमी के द्वारा दूसरे राज्य में भेजा जाता है, इसमें से कुछ बिक जाता है तथा कुछ वापस आ जाता है। इस स्थिति में एसजीटी का निर्धारण किस प्रकार होगा?

जीएसटी पूरे माल पर लगाया जायेगा, लेकिन आप माल को किसी दूसरे राज्य में नहीं ले जा सकते यदि वहां आपका ऑफिस नहीं है

या फिर आपने उस राज्य में जीएसटी के लिये औपचारिक रूप से आवेदन नहीं किया है।

13) मेरा ऑफिस/दुकान मुंबई में है तथा एक ऑफिस/दुकान सूरत में है, मुझे किस तरह से जीएसटी निर्धारित करना होगा?
एक ऑफिस से दूसरे ऑफिस, जो कि दूसरे राज्य में है, स्थानान्तरण करने पर जीएसटी लगेगा। हालांकि संबद्ध इनपुट क्रेडिट भी उपलब्ध रहेगा।

14) यदि माल को प्रदर्शनी के लिये दूसरे राज्यों में स्थानान्तरित किया जाता है तो इस पर जीएसटी कैसे लागू होगा?
जीएसटी मुख्य रूप से सप्लाई की दशा में लगाया जाता है, चूंकि प्रदर्शनी वास्तविक सप्लाई नहीं है इसलिये यहां पर जीएसटी नहीं लगेगा, लेकिन इस पर सरकार से स्पष्टीकरण लिया जाना चाहिये। वर्तमान कानून के अनुसार मेला, प्रदर्शनी के लिये एक राज्य से दूसरे राज्य में स्थानान्तरण पर जीएसटी लागू होगा।

15) जीएसटी को लेकर किन बातों का ध्यान रखना चाहिये?
जीएसटी के उल्लंघन पर पेनाल्टी का प्रावधान है इसलिये इसके क्रियान्वयन में विशेष सावधानी बरती जानी चाहिये।

16) जीएसटी को उदाहरण के रूप में समझाइये?
खरीदी-

मद	मूल्य	जीएसटी दर	जीएसटी
बुलियन	300,000	3%	9,000
लेबर	10,000	5%	500
टेलीफोन बिल	1,000	18%	180
कुल	311,000		9,680

बिक्री-

मद	मूल्य	जीएसटी दर	जीएसटी
ज्वैलरी	450,000	3%	13,500
कुल रुपया	450,000	-	13,500

सरकार को जीएसटी का भुगतान	कुल रुपया
बिक्री	13,500
(-) खरीदी	9,680
सरकार को शुद्ध भुगतान	3,820

17) क्या व्यवसायी ग्राहक को स्वीकृति के आधार पर माल भेज सकता है?

हां, व्यवसायी अपने ग्राहक को स्वीकृति के आधार पर छह माह के लिये माल भेज सकता है, टैक्स का भुगतान केवल ग्राहक द्वारा स्वीकृति दिये जाने की दशा में ही होगा।

18) क्या व्यवसायी को 30 जून 2017 तक अपने स्टॉक की घोषणा करनी होगी जैसा कि जीएसटी 1 जुलाई 2017 से लागू किया गया है?

हां, स्टॉक की घोषणा 90 दिनों के भीतर करनी होगी।

19) क्या जाबवर्कर को स्वयं ही अनिवार्य रूप से जीएसटी में पंजीकृत होना होगा?

हां, क्योंकि यदि वह पंजीकृत नहीं है तो उसके ओर से ज्वैलर को सभी टैक्स का भुगतान करना होगा।

20) क्या पुराने स्टॉक पर वैट क्रेडिट उपलब्ध रहेगा?

यदि वैट क्रेडिट वैट रिटर्न के अनुसार उपलब्ध है तो इसे संबद्ध खाते में ट्रांसफर किया जायेगा तथा इसे प्राप्त किया जा सकता है।

21) क्या पुराने स्टॉक पर एक्साइज क्रेडिट उपलब्ध रहेगा?

मेरे अनुसार यदि एक्साइज ड्युटी 1% दर से भुगतान किया गया है तो इसका क्रेडिट उपलब्ध नहीं रहेगा।

22) रिवर्स चार्ज मैकेनिज्म क्या है?

जब आप ज्वैलरी की खरीदी, निर्माण या अपंजीकृत डीलर पर खर्च करते हैं तो पंजीकृत ज्वैलर को रिवर्स मैकेनिज्म के अनुसार जीएसटी का भुगतान करना होता है।

23) ई-वे बिल क्या है?

जब माल का स्थानान्तरण एक स्थान से दूसरे या एक ऑफिस से दूसरे ऑफिस में किया जाता है तो इस स्थिति में ई-वे बिल जारी किया जाना चाहिये। ई-वे बिल जारी करने का दायित्व स्थानान्तरण करने वाले व्यक्ति का होता है। ई-वे बिल को जीएसटी की वेबसाइट पर बनाया जाना चाहिये जहां से ईबीएम संख्या प्रदान की जायेगी। यदि गुड्स बिना ई-वे बिल के स्थानान्तरित होता है तो इसे जब्त किया जा सकता है। हालांकि सरकार ने अभी के लिये ई-वे बिल विलंबित कर दिया है।

24) हर साल कितने रिटर्न फाइल किये जाने चाहिये?

लगभग 37 बिल हर ब्रांच से हर साल फाइल किये जाने चाहिये।



Bullion - Data & Statistics

Gold Spot Market, International (Per Troy Ounce)			
Spot gold	01 st June	30 th June	% Change
Australia (AUD)	1713.41	1612.68	-5.88
Britain (GBP)	981.31	952.76	-2.91
Canada (CAD)	1709.28	1609.64	-5.83
Europe (Euro)	1127.83	1085.90	-3.72
Japan (Yen)	140926.00	139534.30	-0.99
Switzerland (CHF)	1228.27	1190.50	-3.08
USA (USD)	1264.60	1241.08	-1.86

Silver Spot Market, International (Per Troy Ounce)			
Spot Silver	01 st June	30 th June	% Change
Australia (AUD)	23.33	21.58	-8.13
Britain (GBP)	13.36	12.74	-4.84
Canada (CAD)	23.27	21.52	-8.13
Europe (Euro)	15.35	14.53	-5.69
Japan (Yen)	1918.57	1861.49	-3.07
Switzerland (CHF)	16.72	15.93	-4.99
USA (USD)	17.19	16.58	-3.67

Monthly Exchange Data (Gold) (From June 01-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Gold Oct'17	1274.80	1302.30	1240.90	1246.00	-2.65
SHANGHAI –SHFE ⁴	Gold Sep'17	281.55	281.55	275.00	275.00	-1.51
Singapore- ICE (ICESA) ⁵	Gold Sep'17	40.61	41.69	40.03	40.03	-1.30
MCX ¹	Gold Oct'17	29115.00	29711.00	28496.00	28608.00	-1.88
NCDEX HEDGE	Gold Sep'17	26655.00	27152.00	26092.00	26092.00	-2.18
TOCOM ³	Gold Oct'17	4494.00	4542.00	4434.00	4476.00	-0.29

1- Rs/10 gms, 2- \$/oz, 3- Jpy/gm 4 (RMB) Yuan/gram 5 - \$/gram

Monthly Exchange Data (Silver) (From June 01-30)						
Exchange	Commodity	Open	High	Low	Close	% Ch.
COMEX ²	Silver July'17	17.39	17.82	16.28	16.627	-5.14
MCX ¹	Silver July'17	40532.00	41279.00	38327.00	38783.00	-4.57
TOCOM ³	Silver Aug'17	61.90	61.90	61.00	61.00	-1.48

1- Rs/kg, 2- \$/oz, 3- Jpy 0.1/gm

Gold Spot Market, India			Rs/10gm
Spot Gold	01 st June	30 th June	% chg
Ahmedabad	28828.00	28803.00	-0.09
Bangalore	29390.00	29250.00	-0.48
Chennai	29680.00	29600.00	-0.27
Delhi	29350.00	29300.00	-0.17
Mumbai	30400.00	30140.00	-0.86
Hyderabad	29790.00	29670.00	-0.40
Kolkata	30370.00	30150.00	-0.73

Currency Change (Monthly)		
	01 st June	30 th June
EUR/USD	1.1213	1.1426
USD/AUD	1.3561	1.3005
USD/GBP	1.2881	1.3028
USD/INR	64.471	64.58
USD/JPY	111.36	112.41

Silver Spot Market, India			Rs/kg
Spot Silver	01 st June	30 th June	% chg
Mumbai	42900.00	41800.00	-2.56

Bullion - Data & Statistics

LBMA Gold & Silver Price (Per Troy Ounce)										
GOLD AM			GOLD PM			SILVER				
DATE	USDAM	GBPAM	EURAM	USDPM	GBPPM	EURPM	DATE	USDPM	GBPPM	EURAM
06/01/2017	1266.15	984.81	1128.01	1264.85	980.76	1126.22	06/01/2017	17.13	13.33	15.26
06/02/2017	1260.95	980.39	1123.88	1274.95	991.02	1130.75	06/02/2017	17.19	13.37	15.33
06/05/2017	1280.70	992.41	1136.88	1279.95	989.66	1137.75	06/05/2017	17.52	13.58	15.59
06/06/2017	1287.85	997.31	1144.77	1293.50	1003.37	1147.98	06/06/2017	17.56	13.61	15.62
06/07/2017	1292.70	1001.07	1146.62	1291.00	996.78	1146.02	06/07/2017	17.60	13.64	15.71
06/08/2017	1284.80	992.12	1142.70	1273.10	985.76	1135.99	06/08/2017	17.60	13.60	15.67
06/09/2017	1274.25	1001.31	1139.18	1266.55	994.88	1133.06	06/09/2017	17.35	13.60	15.52
06/12/2017	1269.25	998.14	1131.28	1266.40	1000.08	1130.01	06/12/2017	17.13	13.50	15.27
06/13/2017	1261.30	992.26	1125.33	1262.00	991.93	1125.96	06/13/2017	16.82	13.21	15.01
06/14/2017	1268.25	995.83	1131.41	1275.50	997.70	1130.99	06/14/2017	16.96	13.32	15.14
06/15/2017	1260.25	992.57	1127.67	1254.55	984.07	1125.71	06/15/2017	16.86	13.19	15.10
06/16/2017	1256.60	984.04	1124.03	1255.40	983.10	1123.08	06/16/2017	16.76	13.11	14.99
06/19/2017	1251.10	976.86	1117.73	1248.15	978.42	1116.84	06/19/2017	16.67	13.02	14.87
06/20/2017	1246.50	981.99	1117.24	1242.20	984.44	1115.37	06/20/2017	16.59	13.10	14.88
06/21/2017	1247.05	989.04	1118.98	1242.50	980.21	1115.39	06/21/2017	16.51	13.03	14.81
06/22/2017	1251.40	988.36	1120.13	1250.80	988.26	1120.84	06/22/2017	16.58	13.09	14.85
06/23/2017	1256.30	987.70	1125.27	1255.70	987.11	1122.22	06/23/2017	16.71	13.12	14.97
06/26/2017	1240.85	975.56	1109.32	1245.25	977.65	1111.14	06/26/2017	16.53	12.98	14.79
06/27/2017	1250.40	980.31	1111.36	1249.55	978.52	1106.98	06/27/2017	16.66	13.07	14.79
06/28/2017	1251.60	976.25	1101.91	1248.00	963.46	1098.24	06/28/2017	16.78	13.08	14.78
06/29/2017	1246.60	959.88	1093.14	1243.50	957.62	1089.93	06/29/2017	16.83	12.98	14.76
06/30/2017	1243.25	957.43	1090.83	1242.25	957.28	1087.22	06/30/2017	16.47	12.69	14.44

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