

Location Swap and Global Vaulting



Mr Shamsheer C Maliyil
Executive Director
Rafmoh Group Of Companies

NEW TOOLS FOR MODERN BULLION TRADE

For most of its history, the bullion trade has been measured in tonnes moved: metal flown between hubs, cleared through customs, and delivered vault to vault. That model built the great trading centres, but it carries costs the modern market is less willing to absorb, including freight and insurance, settlement delays, security exposure, and inventory idle in transit. The industry's answer is quietly transforming how gold changes hands. Increasingly, the smartest trades move title, not tonnage.

A location swap is a simple idea with far-reaching consequences. Two counterparties exchange equivalent metal held in different locations, for instance kilo bars in Dubai against loco London gold, and settle the location differential in price rather than shipping the metal itself. The gold physically stays where it is; ownership and exposure move instantly. What once took days of logistics now takes a confirmation.

Swaps only work, however, on top of a credible global vaulting network. When accredited vaults in Dubai, London, Zurich, Hong Kong, and now GIFT City hold standardised certified metal, inventory anywhere becomes liquidity everywhere. Vaulting has evolved from passive storage into active market infrastructure: the collateral base for financing, the delivery mechanism for exchanges, and the settlement layer for swaps.

Dubai is exceptionally well positioned in this architecture. The UAE Good Delivery standard has given the market a trusted local benchmark, DGCX links vaulted metal to exchange settlement, and worldclass carriers and vault operators connect the emirate to every major hub. The India-UAE CEPA corridor adds a structural dimension: with IIBX at GIFT City accepting UAEGD accredited bars, metal vaulted in Dubai is effectively pre-positioned for the world's second largest consumer market. Swap and vaulting infrastructure is turning that corridor from a shipping lane into a balance sheet.



At Rafmoh, we see this shift daily. Our business has always been about managing flow rather than chasing margin, and our footprint across the UAE, India, Saudi Arabia, and Hong Kong functions as one coordinated liquidity network. Location swaps allow us to serve Gold Souk wholesalers in Dubai while meeting demand in Jeddah or Hong Kong at the same time, without waiting on aircraft. Refining at our partner refinery - RG Refinery - compresses the cycle further: material is assayed, refined, cast, and certified in a tightly managed loop, minimising idle inventory and returning metal to the vaulted, tradable pool quickly. The result is continuity of supply through volatile cycles, which is ultimately what physical markets value most.

These tools demand discipline. A swap is only as good as the equivalence of the bars behind it, the integrity of the vault, and the documentation surrounding both. Standardisation, chain of custody, responsible sourcing, and rigorous AML/CFT compliance are not administrative burdens in this model; they are the foundations that make metal in one location fungible with metal in another. Jurisdictions and firms that invest in that credibility will capture the flows.

The next chapter is already visible. Tokenisation and digital vault records promise real-time, verifiable ownership of specific vaulted bars, making location swaps faster, more transparent and accessible to a wider set of participants. Dubai is not just the historical capital of gold; it is becoming its innovation capital.



The lesson for the industry is clear. Competitive advantage in modern bullion trade no longer comes from moving the most metal, but from positioning it most intelligently. Location swaps and global vaulting are the tools of that intelligence, and the trading houses that master them will help define the market's next decade.

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