

# 2025: The Year India Recast Its Precious-Metals Framework-HS Codes, TRQs, Hallmarking and Credit Reform

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In 2025, India's precious-metals sector (gold, silver, platinum group metals) underwent a significant policy reset. From tariff-classification realignments to collateral-credit rules, hallmarking to import-quotas, the regulatory landscape has evolved. The key themes: harmonisation of HS codes/import policy, transparency & access via TRQs, stronger collateral and consumer safeguards, and market-product governance.

## HS-Code Harmonisation & Import-Policy Realignment

A major shift occurred when the Directorate General of Foreign Trade (DGFT) issued Notification 08/2025-26 (19 May 2025), aligning the import policy under the ITC(HS) 2022 classification (Chapter 71) with changes introduced in the Finance Act 2025 and the customs tariff schedule.

This meant:

- New or revised HS/ITC(HS) codes for precious-metals (e.g., gold, silver, platinum) under Chapter 71.
- Updated import policy conditions (Free / Restricted) mapped to the tariff lines.
- Clearer classification of unwrought, semi-manufactured, alloy, jewellery and parts.

In June, DGFT further amended import policy via Notification 18/2025-26 (17 June 2025), curbing imports of certain precious-metal alloys containing gold above 1% by weight (Palladium, Rhodium, Iridium/Osmium/Ruthenium).

For example: alloys of Pd/Rh/Ir containing >1 % gold now "Restricted" under HS codes 71102100 / 71104900. The customs wing (Central Board of Indirect Taxes and Customs, CBIC) issued Instruction 17/2025-Customs (19 June) to align officer-guidance for these changes.

India has imposed restrictions on the import of select categories of unstudded platinum jewellery, effective 17 November, 2025 according to a notification issued by the Directorate General of Foreign Trade (DGFT). These items will now require prior approval for all consignments, with the restrictions remaining in force until 30 April 2026.

Previously, such platinum jewellery-often containing up to 90% gold-was permitted for free import without any licensing requirement.

### Why this matters:

- Importers and customs brokers now face a tightened classification regime-mis-classification risk increases in a harmonisation year.
- Industrial users (electronics, automotive) of certain alloys must now check gold-content thresholds and licensing conditions.
- The mapping of tariff, import policy and HS codes is now cleaner-supporting better compliance and fewer grey-areas.

In short: the HS/ITC(HS) realignment underpins the import policy architecture for precious metals in 2025 and ahead.

## Access, Import Quotas & IFSC-based Market Plumbing

Another important domain is how import access and market infrastructure have been adapted. In October 2025, DGFT announced that the gold TRQ (tariff-rate quota) under the India-UAE CEPA would henceforth be allocated through competitive online bidding/tendering: a shift away from legacy allocations.

At the same time, the International Financial Services Centres Authority (IFSCA) and the India International Bullion Exchange (IIBX) have introduced circulars (Oct 10 2025) allowing Qualified Jewellers and valid TRQ-holders to import gold/silver via IIBX and settle through IFSC-registered vaults. This links TRQ entitlement, import logistics and custody in a regulated, exchange-based environment.

### Key implications:

- The TRQ bidding route introduces market discipline, transparency and possibly price discovery for quota holders.
- Imports via IIBX + IFSC streamline settlement/custody, which may reduce logistic & compliance overheads.
- For jewellers/exporters, being TRQ-eligible and IIBX-connected becomes more important.
- The policy suggests a tilt away from purely ad-hoc licensing toward structured access and market infrastructure.

### Lending, Collateral & Consumer Safeguards

On the credit side, the Reserve Bank of India (RBI) issued its Lending Against Gold and Silver Collateral Directions, 2025, formally recognising silver as eligible collateral (for the first time in that explicit form) and standardising practices around valuation, purity testing, custody, auctions and release-timelines. (Draft earlier; final mid-2025.) A noteworthy clause: if a lender delays returning collateral after full repayment (for reasons attributable to the lender), the borrower is entitled to ₹5,000/day compensation beyond the specified release timeline.

### Why it's important:

- Lenders (banks/NBFCs) must now adopt a uniform playbook for gold & silver collateral-covering impressive details: purity verification, documentation, release timelines.
- Borrowers get enhanced protection and predictability-particularly important in a high-volume gold-loan market.
- The inclusion of silver opens new liquidity avenues for MSMEs/jewellers who hold silver inventories.
- Compliance obligations and operational standards for collateral-based lending get elevated markedly.

In effect, collateral-credit linked to precious metals is seeing both expansion (silver) and formalisation (processes/legalities) in 2025.

### Market Products & Pricing: ETFs & Valuation

In July 2025, SEBI released a consultation paper proposing that gold and silver Exchange-Traded Funds (ETFs) adopt domestic spot prices (published by Indian commodity exchanges) as their valuation reference for NAV calculation, rather than relying purely on global benchmarks. Feedback closed in August.

### Effect for investors/AMCs:

- This proposal should lead to closer tracking of domestic market realities, reducing NAV divergence during global/local mismatches.
- Better comparability across funds, improved transparency for retail investors.
- Encourages the domestic bullion market ecosystem (price reporting, exchange publication).
- While the final circular is still awaited, the direction indicates a push toward localisation of valuation methodology.

### Quality, Traceability & Hallmarking

In the domain of quality assurance, the Bureau of Indian Standards (BIS), working with the Ministry of Consumer Affairs, began rollout of HUID-based voluntary hallmarking for silver under the revised standard IS 2112:2025 (effective 1 September 2025)-introducing seven fineness grades and digital traceability. Additionally, hallmarking scope has reportedly expanded to include 9-karat gold, targeting affordability and consumer segments beyond premium jewellery. News reports highlight landmark cases of enforcement action against unauthorised hallmarking centres.

### Why this shift matters:

- Silver, historically less standardised in hallmarking than gold, now gains formal traceability-which helps consumer confidence and export credibility.
- 9K gold hallmarking opens lower-price segments to formal certification, expanding the market.
- Stronger enforcement reinforces deterrence against purity/fake risk and supports formal jewellery trade growth.

### Tariff, Customs & Cost Lines

The CBIC consolidated customs exemption notifications into Notification 45/2025-Customs (24 October 2025), merging 31 earlier documents into a single framework-reducing compliance complexity for importers of precious metals and related goods.

Also, new tariff-value updates for gold and silver (effective 1 November 2025) under Section 14(2) of the Customs Tariff Act changed landed cost for many importers, especially commercial refiners and bullion houses.

### Operational take-aways:

- Consolidation means fewer moving parts in customs compliance: clearer references, less ambiguity.
- Tariff value resets affect landed cost, margin planning, hedging assumptions for importers/refiners.
- Jewellery makers and refiners should continuously monitor updates in Chapter 71 codes, tariff value tables and drawback revisions.

### Snapshot & Key Themes for Industry

- **Import-policy alignment** (HS code realignment + policy conditions) removes classification ambiguity.
- **Access & distribution reforms** (TRQ bidding + IFSC logistics) enhance transparency and streamline market flows.
- **Financing & risk governance** (RBI's collateral rules + silver inclusion) upgrade the credit infrastructure around bullion.
- **Investor products & pricing** (SEBI's valuation shift) reflect maturation of domestic precious-metals capital markets.
- **Quality assurance & formalisation** (silver hallmarking + 9K gold) support trust and scale in the jewellery sector.
- **Customs-tariff clarity** (CBIC consolidation + tariff-value resets) reduce complexity and cost-surprises.

For stakeholders (jewellers, importers, refiners, lenders, fund houses), the message is: proactivity matters. Update classification codes, ensure compliance with new import/licensing routes, integrate hallmarking systems, prepare for silver-backed credit, monitor ETF/valuation changes, and bake in tariff-value dynamics.

### What to Look Out For (Late-2025/2026)

- DGFT's first round of TRQ online bidding results: pricing, participants, quota distribution.
- Final SEBI circular implementing the domestic-spot valuation for gold/silver ETFs, with timeline and transition plan.
- BIS move from voluntary to mandatory silver hallmarking, and rate of 9K gold hallmarking uptake.
- RBI follow-on clarifications/FAQs regarding collateral release, valuation sources, silver-loan underwriting.
- CBIC/Customs further clarifications on Chapter 71 codes and tariff-value updates or drawback revisions.



### Conclusion

2025 marks a pivot year for India's precious-metals regime: from loosely-aligned classification and financing norms to a more structured, transparent, and integrated ecosystem. The combination of HS-code harmonisation, improved access frameworks, strengthened collateral mechanisms, product-market reforms and quality certification signals a maturation of the bullion sector. Stakeholders who align early with these changes-classifications, access structures, hallmarking, credit frameworks-will be best positioned as the market enters 2026.

