



Reviving GMS

Manish Goel
Head - Bullion
ICICI Bank Ltd



Gold Monetization Scheme

- Gold Monetization Scheme is a Government of India deposit scheme. The scheme aims to bring back idle gold into financial system and reduce imports .
- Allows depositor to earn interest on an otherwise non-yielding physical gold.
- Minimum Investment : 10 grams; Maximum Investment : No limit
- Interest: 2.25% p.a. to 2.50% p.a.
- Tenor (MLTGD): Minimum 5 years; Maximum 15 years
- Min. Lock in period (MLTGD):

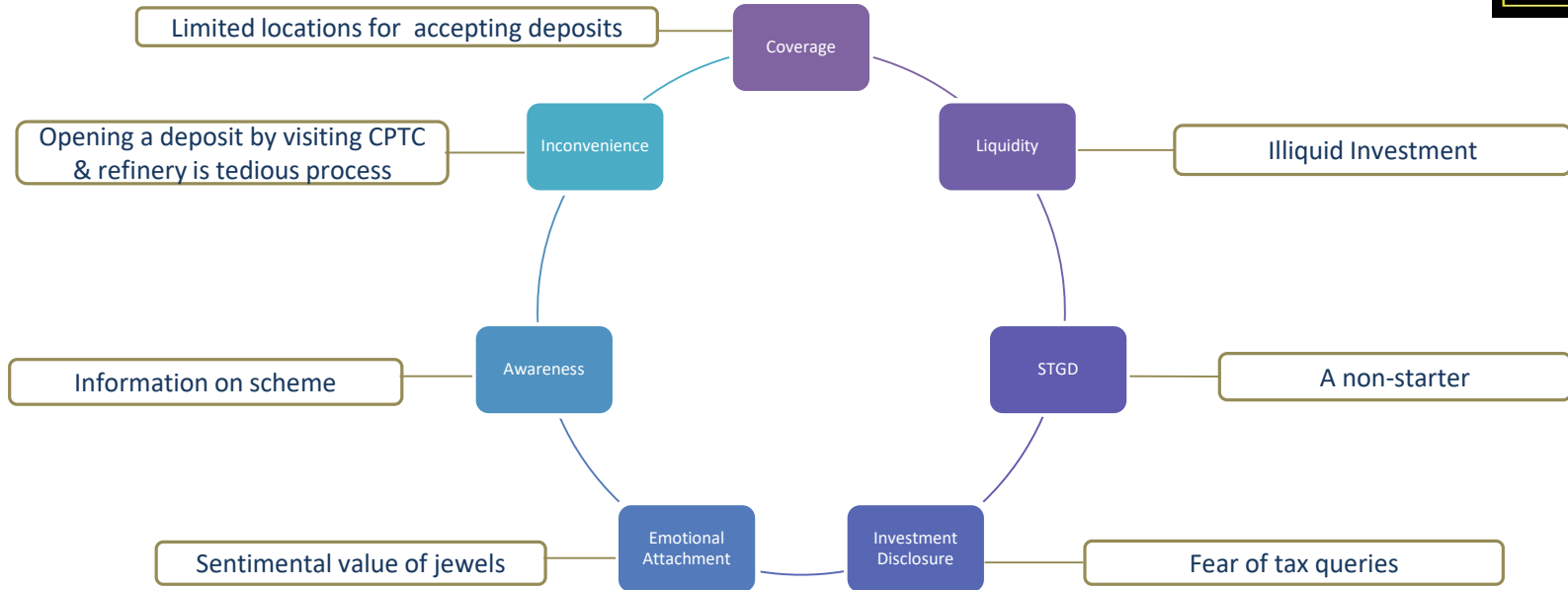


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|--------------------------|------------------|
| Short Term Gold Deposit | • 1 to 3 years |
| Medium Term Gold Deposit | • 5 to 7 years |
| Long Term Gold deposit | • 12 to 15 years |





Hurdles





What we have done

- Coverage**
 - No. of branches
 - Deposit acceptance at non-active locations too
- Awareness**
 - Marketing Campaigns through mailers & advertisement
 - Awareness activities through branch
- Digitization**
 - Deposit opening request can be submitted through net banking & CPTC arranges for jewels pickup.
- What Next?**
 - There is more that can be done...



What more is required

Coverage

- Operationalize Jeweler & Refinery setup

Inconvenience

- Digitization
- Reduce process friction

Liquidity

- Enabling loan against GMS deposit
- Make STGD attractive for investor

STGD

- Remove tenure restriction and provide tax benefit for greater than 1 year
- Gold collected under STGD should be eligible for CRR

Emotional Attachment

- Focus only on gold bought and held as investment instead of trying jewellery

Awareness

- Word of mouth of existing depositors
- Joint awareness drives

Investment Disclosure

- Clarity to remove fear of taxman



Thankyou