Tripartite Agreement
between
Bank, Collection and Purity Testing Centre (CPTC) and Refiners
for
Gold Monetisation Scheme, 2015

This Tripartite Agreement made on ........day of ...........Between:

1. ...........Bank, constituted under ........................having its Head Office/Registered
   Office................and Branch Office at .................(hereinafter referred to as “the Bank”
   which expression includes their representatives/assign/successors) – Part – I

   AND

2. ABC......Collection and Purity Testing Centre (CPTC) Centre having its Branch Office at
   .................place (hereinafter referred to as “the CPTC” which expression shall include their
   representatives/assigns/successors) – Part – II

   AND

3. XYZ.....Refiners having their Branch Office at .................(hereinafter referred to as
   “Refiners” which expression shall include their representatives, successors and assigns) –
   Part – III

WHEREAS the Government of India has introduced the “Revamped Gold Deposit Scheme”
and the “Revamped Gold Metal Loan” scheme herein after referred to as Gold Monetisation
Scheme (GMS) with different options to the people to monetize the gold held by households
and institutions in the country to putting this gold into productive use. The long term
objective which is sought through this scheme is to reduce the country’s reliance on the
import of gold to meet the domestic demand.

AND WHEREAS the Reserve Bank of India Gold Monetisation Scheme Directions, 2015
have been issued vide their Circular No. ..... dt .......giving details of the Scheme.
Accordingly all Scheduled Commercial Banks excluding RRBs will be eligible to implement
the Scheme and the banks intending to participate in the Scheme shall formulate a comprehensive policy with approval of their Board to implement it.

AND WHEREAS the CPTC are collecting, Assaying and Hallmarking Centres that are certified by BIS in various parts of the country for certifying the purity of the gold, and notified by the Central Government for the purpose of handling gold deposited and redeemed under Gold Monetization Scheme (GMS).

Now, therefore, it is hereby agreed between the above said parties and this agreement witnesses as follows:

1. Definition:
   i. **Collection and Purity Testing Centre (CPTC)** – The CPTC will be the collection and assaying centres certified by the Bureau of India Standards (BIS) and notified by the Central Government for the purpose of handling gold deposited and redeemed under GMS.

   ii. **Designated bank** – All Scheduled Commercial Banks excluding RRBs that decide to implement the Scheme.

   iii. **Refiners** – The refineries accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) and notified by the Central Government for the purpose of handling gold deposited and redeemed under GMS.

   iv. **Scheme** – Gold Monetization Scheme, 2015 and includes Revamped Gold Deposit Scheme (R-GDS) and Revamped Gold Metal Loan Scheme (R-GML) as defined in RBI circular dated 22.10.2015.

2. **Test of Gold & issuance of Certificate**

   i). The minimum quantity of gold that a customer can bring is 30 grams. Gold can be in any form (bullion or jewellery).

   ii). All gold deposits under the scheme, whether tendered at the CPTC or the designated branches shall be assayed at CPTC; Provided that the designated banks are free not to subject the standard good delivery gold accepted directly at branches to fire assaying at the CPTC.
iii). The preliminary test will be done by authorised CPTC through an XRF test as detailed below:

a) XRF machine-test and weighing of each article will be conducted to tell the customer the approximate purity of gold content in the article.

b) Weighing and XRF of all articles would be done in the presence of the customer and the entire process will be recorded by CCTV Camera. Customers would be allowed to see the readings of the weighing balance directly and XRF machine through CCTV gallery. **CPTC shall retain the CCTV Footage for 90 days.**

c) If the customer agrees, he/she will give his/her consent for melting of gold. Customer will be free to disagree for melting of any article after weighing and XRF test. The fee to be charged if any, at this stage will be informed to the customer before doing the XRF test.

d) All such articles for which the customer has given his/her consent will be melted together.

iv). The schedule of fees charged by the CPTCs which are approved by the Banks shall be displayed at a prominent place at the centre.

v). Before tendering the raw gold to a CPTC, the depositor shall indicate the name of the designated bank with whom he would like to place the deposit

vi). After assaying the gold, the CPTC will issue a receipt signed by authorised signatories of the centre showing the standard gold of 995 fineness. Simultaneously, the CPTC will also send an advice to the designated bank regarding the acceptance of deposit.

vii). The assaying process at the CPTC is described in **Annex-1**.

viii). After receiving customer’s consent for melting the gold for conducting a further test of purity, at the same collection centre, the gold ornament will then be cleaned of its dirt, studs, meena, etc. The studs, etc. will be handed over to the customer there itself. The net weight of the jewellery will be taken after such removal and told to the customer. Arrangements for the jewellery to be melted and through a fire assay, its purity ascertained, in the presence of the customer would be made available. The time taken is not to exceed 4-5 hours. The entire process will be recorded in CCTV Camera.
xi). After the results of fire assay are told to the customer and if he agrees to deposit his gold then he/she will be given a certificate by the CPTC certifying the weight and purity of the deposited gold.

x). The 995 fineness equivalent amount of gold as determined by the CPTC will be final and any difference in quantity or quality found after issuance of the receipt by the CPTC including at the level of the refinery due to refinement or any other reason shall be settled between the CPTC and Refiners.

3. **Transfer of Gold to the Refiners:**

The CPTC will send the gold to the Refiners as per directions received from the bank from time to time. CPTC will ensure safe custody of the gold collected from customers on behalf of the bank till they are transported to the refiners. Arrangements will be made for insuring the gold during the period when kept with the CPTC and in transit to the refiners as mutually agreed between the CPTC and the bank.

The refiners will arrange to refine the gold without delay and keep the refined gold in their ware-houses, unless the bank preferred to hold it themselves. Refiners will hold the gold on behalf of the Bank and would issue a letter/certificate to this effect. Refiner will transfer the gold to the Bank or to a place instructed by the bank through a security agency mutually decided by the Bank and Refiner. Bank shall also have a right to conduct physical verification of refined gold kept in the warehouse of Refiner. The Refiner will also obtain an insurance policy of sufficient amount wherein the Bank will be noted as beneficiary. The Refiner will maintain Bank wise record of the refined gold kept in their warehouses.

4. **Terms & Conditions**

i). **Details of Payment of Fees:**

   Schedule of payment of fees shall be as under: (please list out charges agreed to between the bank and CPTC and the bank and refiners)
ii). Services to be provided by CPTC:

a). CPTC will provide services to the customer as mentioned in para No. … & the Annexure – I of test of gold and issuance of certificate.
b). CPTC will prominently display the names of the Banks with which they are associated and the schedule of fees to be charged.
c). CPTC will categorically mention in their receipt issued by them, to the customer, that they have accepted the deposit only on behalf of the Bank, the customer has indicated.
d). The CPTC will obtain clear consent from the customer for test of gold and only thereafter conduct the test of gold.
e). CPTC will issue certificate immediately after testing of the gold on the prescribed format with due authentication and seal. CPTC will send the advice thereof to the Bank on the same day or latest by next day.
f). CPTC will be responsible for quantity and quality of the gold as certified on the prescribed format. CPTC shall be solely responsible for the security of the gold while assaying it and till the time it is delivered to the refiners and a proper acknowledgment of receipt is obtained from the refiners.
g). CPTC will be responsible for sending gold in a tamper proof packaging and with due seal and certificate to the Refiner against proper acknowledgment.
h). CPTC will be responsible for any default in service provided by them.
i). CPTC shall have necessary appropriate insurance in place and the bank would be named as beneficiary, loss payee in such policies.

j). The CPTC shall ensure that the customer approached him under the scheme has an account with the Bank where he intends to deposit the gold.
k). It is agreed that the certificate issued by the CPTC shall be final as regard quality and quantity of the Gold for the customer and the Bank.

iii). Services to be provided by Refiners:

a). Refiners will ensure that the gold received is in tamper proof packaging and with due seal and certificate.
b). Once Refiner receives the gold from CPTC, the responsibility of quantity and quality of gold shall lie with the Refiner. The Refiner shall be fully responsible for safety, security and preservation of gold once the same is delivered to them by CPTC.

c). Refiner shall follow the instructions of the Bank as regards retention or delivery of the gold to the bank. If directed by the bank to deliver the gold to bank, the Refiner shall carry out the instructions immediately.

d). The Refiners shall have necessary insurance in place and the Bank shall be named as beneficiary/as loss payee in such policies.

iv). Services to be provided by the Bank:

a). The Bank should ensure receipt of the gold in a tamper proof packing with due seal and certificate from the CPTC and Refiner. Once the gold is received by the bank it will be the responsibility of the bank to keep it in safe custody.

b). Bank shall also be responsible for opening and maintaining the account as per prescribed norms and the provisions of the Scheme. Once the CPTC issues certificate regarding quantity and quality of gold received from the depositor, the bank shall be responsible to the depositor for safe custody, payment of periodic interest and redemption of gold in physical form or in rupee equivalent as agreed on maturity.

C) Where the customer has deposited the gold at the designated branch of the Bank, the Bank shall send the gold to the CPTC for assaying against acknowledgment and CPTC after completing assaying process will send the advice and certificate to the Bank immediately.

5. Other Terms & conditions:

i). The terms and conditions mentioned herein this Tripartite agreement will not be modified except with mutual consent of the parties to the agreement in writing.

ii). The parties to the Agreement shall strictly maintain the standards of service, payment of fee and details of arrangements as mentioned hereinabove.

iii). Parties to this agreement hereby agree & undertake that any change/modification in the Schemes made by the Government of India and/or Reserve Bank of India shall be binding on them.
iv). The Central Government may take appropriate action including levy of penalties against the non-compliant CPTCs and refiners.

v). It is agreed to among the parties that CPTC and Refineries shall maintain strict secrecy and confidentiality of the details of customers and their accounts. No disclosure of details of customers and accounts will be made by the CPTC and Refineries unless there is an order from the Competent Court or required by the Law.

vi). The Banks shall have right to inspect the stock and audit the accounts of the CPTC and Refineries as per discretion of the Bank.

vii). It is agreed among the parties to this agreement clauses relating to confidentiality, indemnity, guarantee and disputes resolution shall survive even after termination of the agreement.

viii). CPTC / Refinery will provide a bank guarantee to the Bank, of adequate amount if required by the Bank.

ix). The Central Government may also put in place appropriate grievance redress mechanism regarding any depositor’s complaints against the CPTCs.

x). The complaints against the designated banks regarding any discrepancy in issuance of receipts and deposit certificates, redemption of deposits, payment of interest will be handled first by the bank’s grievance redress process and then by the Banking Ombudsman of RBI.

xi). In case of default or non-adherence to the terms by the CPTC the bank shall have liberty to blacklist them after giving notice and will intimate refiners accordingly.

xii). The CPTC and the Refiner hereby indemnify the Bank for any loss caused to or suffered by the Bank due to loss of Gold, defect in quantity and/or quality of gold, or for any reason whatsoever while gold is in their custody. The CPTC and/or Refiner will make good the loss without demur merely on the demand made by the Bank.

xiii). The Bank shall have right to terminate the agreement with CPTC and/or Refiners by giving notice in writing with immediate effect by mean of e-mail, fax or speed post. On
receipt of such intimation of termination, the CPTC and/or Refiners will deliver the entire
gold in their possession to the bank within 24 hrs against acknowledgement. On such
termination and after receipt of entire gold, advices and receipt from the CPTC and Refiners,
the Bank shall pay the fee, etc. which is due to the CPTC and/or Refiners within 7 days.

xiv). The CPTC and/or Refiners shall not use name and logo of the Bank without written
consent of the Bank for the Scheme.

xv). In case of dispute between the Bank and CPTC and/or Refiners, efforts should be made
to settle the dispute amicably. If the dispute is not settled amicably the same shall be reported
to arbitration and the same shall be governed as provisions of the Arbitration & Conciliation
Act 1996.

xvi). In case of any dispute, notices will be given at the following addresses by the respective
parties:-

1. 

2. 

3. 

xvii). In case of any clarifications or dispute among the parties Indian courts will have
jurisdiction and laws of India will apply.

In witness whereof the parties hereto have signed this deed on the day and year first above
written.

(1).

(2)
Witness:

1.

2.
Annexure - 1

Assaying process at the CPTCs

I. The fees to be charged by a CPTC shall be informed to the customer before doing the XRF test.

II. There will be a BIS certified protocol of operations and processes at all stages of purity verification and deposit of gold which are as under:

i. XRF machine-test and weighing of all articles shall be done in the presence of the customer and will be recorded by CCTV Camera.

ii. After XRF test, the customer will be given the option to disagree with the preliminary test or withdraw the tendered gold or he will give his consent for melting and fire assay test.

iii. On receipt of the customer consent, the gold ornaments will be cleaned of its dirt, studs, meena etc. and thereafter, the purity of the tendered gold will be ascertained through a fire assay test in the presence of the customer.

iv. In case the customer agrees with the result of the fire assay test, he will exercise his option to deposit the gold with the bank and in that case the fee charged by the centre will be paid by the bank. However, in case of any disagreement with the fire assay result, the customer will be given the option to take back the melted gold after paying a nominal fee to the centre.

v. In case the customer exercises the option to deposit the gold, he will be provided a certificate by the CPTC certifying the weight of the gold tendered in equivalence of 995 fineness of gold.

vi. On receipt of this certificate from the customer, the bank will credit the equivalent quantity of Standard gold of 995 fineness in to the depositor’s account.

vii. While assaying the gold it would be ensured that Industry standards are observed and the assessment is done in good faith.

Simultaneously, the CPTC has also to inform the bank about the details of the deposit made by the customer.