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Do you keep your gold assets in bank locker? You are probably paying some fees every year for your lockers.

Instead, what if you could get a locker for free?

What if I said banks would pay you to keep your gold assets safe?

Time for a thread. ■■■



1/ The major issue with having gold in bank lockers is

- You pay hefty fees on an annual basis to the bank.
- The lockers aren't insured
- There's no real safety/security in case of theft or an unfortunate event.

Is there a work around?

Yes.

Enter "Gold Monetisation Scheme".

2/ GOI introduced the Gold Monetisation Scheme in 2015. The main objective was to cut down India's gold imports.

How it works:

You deposit your gold in bank.
They keep it safe for a fixed number of years.
You get it back as physical gold or cash on maturity.

3/ What should you do to be eligible?

You should take the gold you want to deposit to a Collection and Purity Testing Centre (CPTC). GOI has established over 300 CPTC's across India.

They will take your gold, evaluate its purity, and provide a receipt for the gold quantity.

4/ You take the receipt to your bank.

Create a gold monetisation scheme account in your bank.

Give them the receipt provided by PTC.

Your bank will then convert that receipt to a scheme certificate as part of your GMS account.

5/ The interest rates are as follows:

5-7 years - 2.25% per annum
12-15 years - 2.5% per annum

Tax Benefits:

No capital gains tax on the profits made through this scheme.

Capital gains are also exempt from wealth tax and income tax.

6/ What all can you deposit?

You can deposit Gold bars, coins, even old jewellery.

What can you not deposit?

You can't deposit Gold jewellery encrusted with gemstones.

7/ What's the catch?

You won't get your gold back in its original form.

Upon maturity, you'll get fresh gold coin/bars or cash.

Once you deposit your jewellery/bar/coin, banks send them to Mineral Trading Corporation for minting gold coins, or sell it to jewellers.

8/ Short term deposits do not calculate interest in the form of cash. They give you interest in gold in grams.

Ex: If the interest is 0.5% per annum, you get 1 gram on 200 grams deposited, at the end of the year.

9/ Medium and long term deposits calculate interest in Rupees, based on the Gold value whenever you deposited.

If you deposited 200g at a value of 600k, and the interest rate is 2.5%, you'll get 15000 rupees as interest in a year.

This is of course tax exempt.

10/ 2.25-2.5% interest rate on Gold is on par with the SGB scheme provided by the RBI.

Also, the option to encash the gold on maturity is also attractive in case you want cash instead of physical gold once the scheme matures.

11/ Is there a cap on how much you can deposit? Yes and No.

Minimum deposit : 30 grams
Maximum deposit : Unlimited.

12/ Details of GMS in few bank websites:

SBI : https://t.co/uDmrJOM07K

ICICI : https://t.co/niB8oodCmu

HDFC : https://t.co/B67Re4iJkg

Contact your bank for more details on this.