**Sovereign Gold Bond Scheme 2018 -19**

Government of India, in consultation with the Reserve Bank of India, has decided to issue Sovereign Gold Bonds-2018-19. The Sovereign Gold Bonds will be issued every month from October 2018 to February 2019 as per the calendar specified below:

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| **S. No.** | **Tranche** | **Periodof Subscription** | **Date of Issuance** |
| 1 | 2018-19 Series II | October 15-19, 2018 | October 23, 2018 |
| 2 | 2018-19 Series III | November 05-09, 2018 | November 13, 2018 |
| 3 | 2018-19 Series IV | December 24-28, 2018 | January 01, 2019 |
| 4 | 2018-19 Series V | January 14–18, 2019 | January 22, 2019 |
| 5 | 2018-19 Series VI | February 04-08, 2019 | February 12, 2019 |

The Bonds will be sold through banks, Stock Holding Corporation of India Limited (SHCIL), designated post offices, and recognised stock exchanges *viz*., National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The features of the Bond are given below:

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| **Sl. No.** | **Item** | **Details** |
| 1 | Product name | Sovereign Gold Bond 2018-19. |
| 2 | Issuance | To be issued by Reserve Bank India on behalf of the Government of India. |
| 3 | Eligibility | The Bonds will be restricted for sale to resident entities including individuals, HUFs, Trusts, Universities and Charitable Institutions. |
| 4 | Denomination | The Bonds will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram. |
| 5 | Tenor | The tenor of the Bond will be for a period of 8 years with exit option in 5th, 6th year and 7th year to be exercised on the interest payment dates. |
| 6 | Minimum size | Minimum permissible investment will be 1 gram of gold. |
| 7 | Maximum limit | The maximum limit of subscribed shall be 4 KG for individual, 4 Kg for HUF and 20 Kg for trusts and similar entities per fiscal (April-March) notified by the Government from time to time. A self-declaration to this effect will be obtained. The annual ceiling will include bondssubscribed under different tranches during initial issuance by Government and those purchased from the Secondary Market. |
| 8 | Joint holder | In case of joint holding, the investment limit of 4 KG will be applied to the first applicant only. |
| 9 | Issue price | Price of Bond will be fixed in Indian Rupees on the basis of simple average of closing price of gold of 999 purity, published by the India Bullion and Jewellers Association Limited for the last 3 working days of the week preceding the subscription period. The issue price of the Gold Bonds will be `50 per gram less for those who subscribe online and pay through digital mode. |
| 10 | Payment option | Payment for the Bonds will be through cash payment (up to a maximum of `20,000) or demand draft or cheque or electronic banking. |
| 11 | Issuance form | The Gold Bonds will be issued as Government of India Stock under GS Act, 2006. The investors will be issued a Holding Certificate for the same. The Bonds are eligible for conversion into demat form. |
| 12 | Redemption price | The redemption price will be in Indian Rupees based on previous 3 working dayssimple average of closing price of gold of 999 purity published by IBJA. |
| 13 | Sales channel | Bonds will be sold through banks, Stock Holding Corporation of India Limited (SHCIL), designated post offices (as may be notified) and recognised stock exchanges *viz*., National Stock Exchange of India Limited and Bombay Stock Exchange, either directly or through agents. |
| 14 | Interest rate | The investors will be compensated at a fixed rate of 2.50 percent per annum payable semi-annually on the nominal value. |
| 15 | Collateral | Bonds can be used as collateral for loans. The loan-to-value (LTV) ratio is to be set equal to ordinary gold loan mandated by the Reserve Bank from time to time. The lien on the bonds shall be marked by the depositary by the authorized banks. The loan against SGBs would be subject to decision of the lending bank/institution and cannot be inferred as a matter of right by the SGB holder. |
| 16 | KYC documentation | Know-your-customer (KYC) norms will be the same as that for purchase of physical gold. KYC documents such as Voter ID, Aadhaar card/PAN or TAN /Passport will be required. Every application must be accompanied by the ‘PAN Number’ issued by the Income Tax Department to the investor(s). |
| 17 | Tax treatment | The interest on Gold Bonds shall be taxable as per the provision of Income Tax Act, 1961 (43 of 1961). The capital gains tax arising on redemption of SGB to an individual has been exempted. The indexation benefits will be provided to long term capital gains arising to any person on transfer of bond. |
| 18 | Tradability | Bonds will be tradable on stock exchanges within a fortnight of the issuance on a date, as notified by the RBI. |
| 19 | SLR eligibility | Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone, shall be counted towards Statutory Liquidity Ratio. |
| 20 | Commission | Commission for distribution of the bond shall be paid at the rate Rupee one per hundred Rupees the total subscription received by the receiving offices and receiving offices shall share at least paise 50 per hundred Rupees of the commission so received with the agents or sub agents for the business procured through them. |

**ESIC wins ‘ISSA GOOD Practice Award, Asia & the Pacific 2018’**

The Employees’ State Insurance Corporation (ESIC) has won the ‘ISSA Good Practice Award’ for Administrative Solution for Coverage Extension at the “Regional Social Security Forum for Asia and the Pacific” held at Kuala Lumpur, Malaysia recently.

The award recognizes the measures taken by ESIC for extension of coverage-SPREE (Scheme for Promoting Registration of Employers and Employees), reduced rate of contribution rates for 24 months in newly implemented areas and raising the wage limit for coverage under the ESI Act, etc.

Shri Raj Kumar, IAS, Director General, ESIC represented Employees’ State Insurance Corporation and received the Certificate of Merit on behalf of ESIC.

The Regional Social Security Forum for Asia and the Pacific is a triennial Forum, which is the most important social security event in the Region.  For the triennial Regional Forum, ISSA invites submissions for the ISSA Good Practices Award for Asia and the Pacific Regions. The Forum provides unique opportunities to CEOs and Managers of ISSA Member Institutions to discuss key social security challenges and share their experiences.



The ISSA (International Social Security Association) is the principal international organization for Social Security Organizations, Govts. and Departments of Social Security.  The ISSA, founded in 1927 under the auspices of the International Labour Organization (ILO), Geneva, promotes excellence in social security administration through professional guidelines, expert knowledge, services and support to enable its Members to develop dynamic social security systems.

The ESI Corporation hosts ISSA Liaison Office for South Asia at New Delhi. The Liasion Office coordinates with the Member countries and Social Security Institutions in Bhutan, Nepal, Bangladesh, Sri Lanka and Iran on activities of ISSA related to social security.