



भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

RBI/2024-25/17

A. P. (DIR Series) Circular No. 01

April 15, 2024

All Authorised Dealer Category – I Banks

Madam / Sir,

Hedging of Gold Price Risk in Overseas Markets

Please refer to Paragraph 2 of the [Statement on Developmental and Regulatory Policies](#) announced as a part of the [Bi-monthly Monetary Policy Statement for 2023-24 dated February 08, 2024](#), regarding hedging of price risk of gold in overseas markets. Attention is also invited to the [Master Direction – Foreign Exchange Management \(Hedging of Commodity Price Risk and Freight Risk in Overseas Markets\) Directions, 2022](#).

2. Resident entities were permitted to hedge their exposure to price risk of gold on exchanges in the International Financial Services Centre (IFSC) recognised by the International Financial Services Centres Authority (IFSCA) *vide* [A. P. \(DIR Series\) Circular No. 19 dated December 12, 2022](#). To provide further flexibility to resident entities to hedge their exposures to price risk of gold, it has now been decided to permit resident entities to hedge their exposures to price risk of gold using OTC derivatives in the IFSC in addition to the derivatives on the exchanges in the IFSC, subject to the stipulations set out in the [Master Direction – Foreign Exchange Management \(Hedging of Commodity Price Risk and Freight Risk in Overseas Markets\) Directions, 2022](#), as amended from time to time.

वित्तीय बाज़ार विनियमन विभाग, केंद्रीय कार्यालय, 9वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

फोन: (91-22) 2260 1000, फैक्स: (91-22) 22702290, ई-मेल: cgmfmrd@rbi.org.in

Financial Markets Regulation Department, Central Office, 9th Floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai – 400 001

Tel: (91-22) 2260 1000, Fax: (91-22) 22702290, E-mail: cgmfmrd@rbi.org.in

हिन्दी आसान है, इसका प्रयोग
बढ़ाएँ



3. These instructions shall be applicable with immediate effect. The [Master Direction – Foreign Exchange Management \(Hedging of Commodity Price Risk and Freight Risk in Overseas Markets\) Directions, 2022](#) has been updated accordingly.

4. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager