

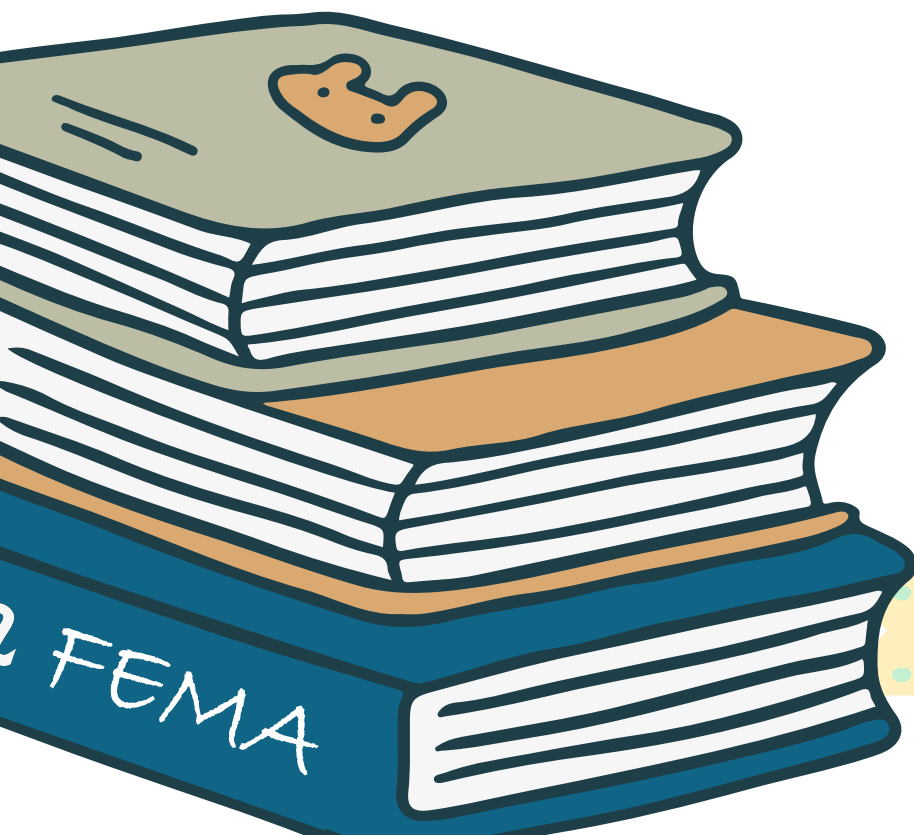
FEMA Ke Fundae

#FamiliarwithFEMA

**Import of Gold by
Qualified Jewellers**

Date: 11-02-2026

Issue no: 190

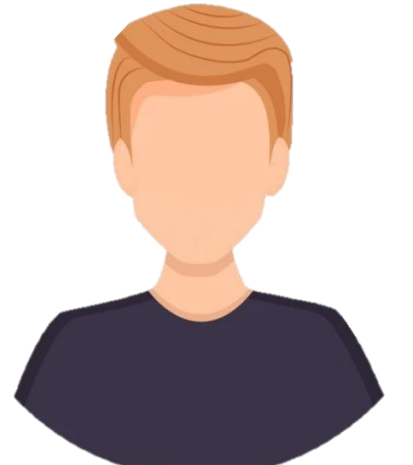




Rohit
(Indian Resident)

Hi FEMA Gyani! I run a small jewellery business. Recently, I heard that *Qualified Jewellers* can now import gold through something called IIBX. Honestly, I don't understand any of this. Can you please explain from the basics?

Of course, Rohit Don't worry. Let's start from the beginning and I'll explain everything step by step.



The FEMA Gyani

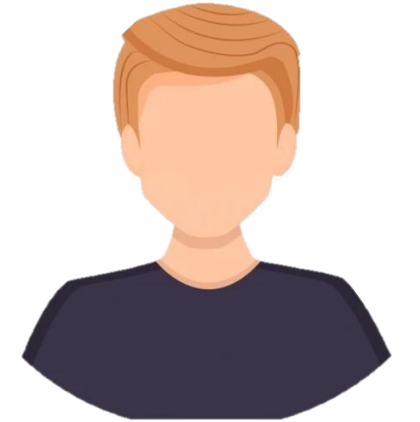
Actually, my supplier told me that gold can now be imported through an international exchange instead of traditional channels. He said there are FEMA rules involved and advance payments are allowed. I don't want to make any mistake.



Rohit
(Indian Resident)



You've done the right thing by checking first. Import of gold is a *regulated activity*, and FEMA compliance is very important. First thing to understand is that **not everyone can import gold this way.**



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Only **Qualified Jewellers (QJs)**, as notified by the government, are allowed to import gold through:

- **India International Bullion Exchange (IIBX)**, or
- Any other exchange **approved by IFSCA and DGFT.**



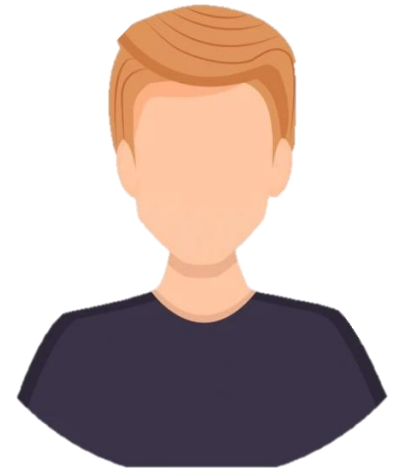
Rohit
(Indian Resident)

Okay, so only notified jewellers can use this route. But what about payment? Do I have to pay first or after gold arrives?

Good question. Under FEMA rules:

- **Authorised Dealer (AD) banks are allowed to send advance payments** for importing gold through IIBX.
- The **maximum advance period allowed is 11 days.**

But there's a condition.



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What condition?

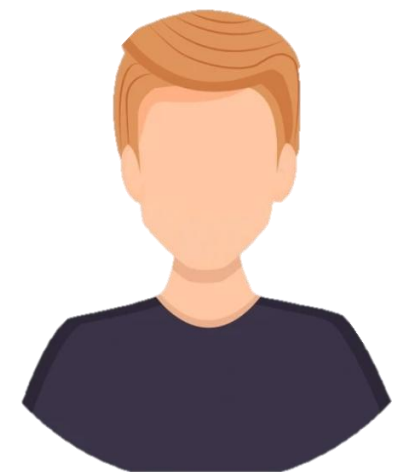


Rohit
(Indian Resident)

The advance remittance must be:

- As per a **sale contract or an irrevocable purchase order**, and
- Only for **genuine gold import transactions** through IFSCA-approved exchanges.

The AD bank must do **full due diligence** before sending money.



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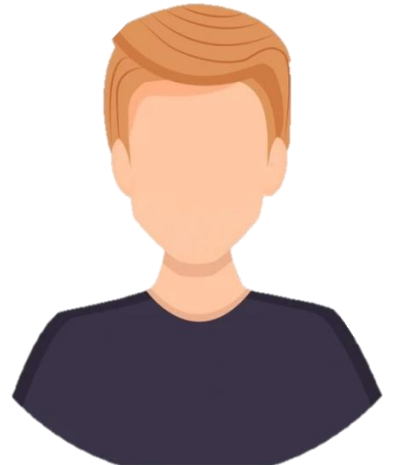
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(Indian Resident)

Can I use that advance money to buy more gold than the amount paid?

No,

- The **advance remittance cannot be leveraged** in any form.
- You can only import gold **equal to the amount of advance paid**.

This rule exists to prevent misuse of foreign exchange.



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Suppose the deal fails or I pay extra by mistake.
What then?

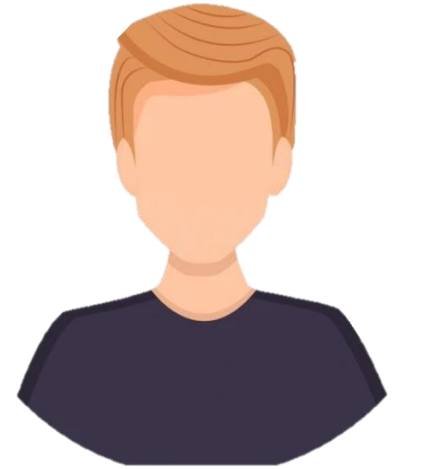


Then FEMA is very clear:

- If the import **does not materialise**, or
- If **excess advance** has been sent,

The **unutilised amount must come back to the same AD bank within 11 days.**

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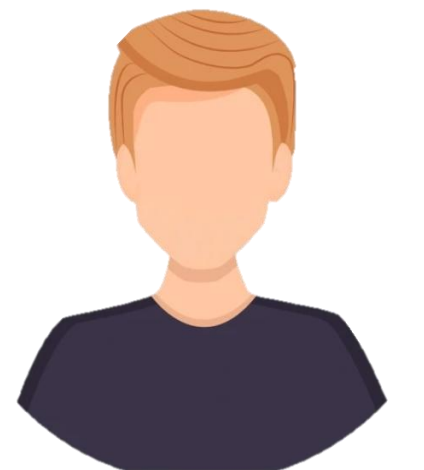
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(Indian Resident)

How does the bank know that I actually imported gold?

For gold imported through **IIBX**, you must submit:

- **Bill of Entry (BoE)** or any other customs-approved import document to the **same AD bank** that sent the advance payment.

This is mandatory proof of import.



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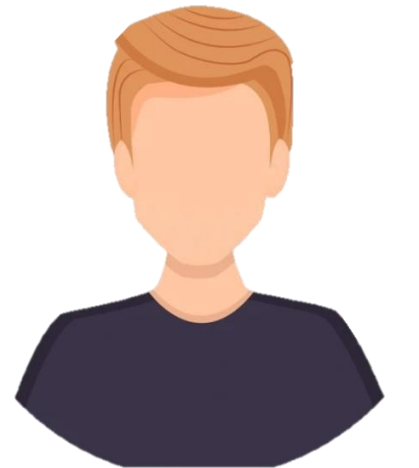


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Can I directly pay the overseas seller?

No.

- **All payments must go through the exchange mechanism** approved by IFSCA.
- Any deviation from these rules requires **prior approval of IFSCA and other authorities.**



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So what exactly does IFSCA do here?



IFSCA:

- Conducts **due diligence on IIBX and other entities**, and
- Ensures that **advance remittances are used only for importing gold**.

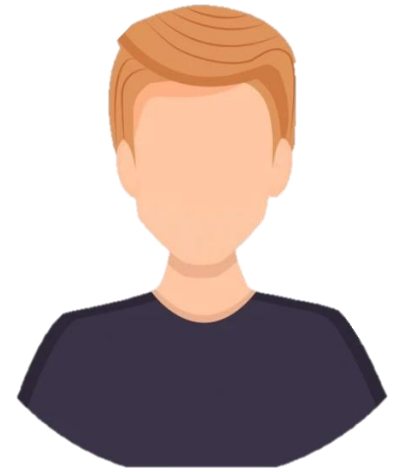
Sounds like banks also have a lot of responsibility.

Yes, AD banks must ensure that:

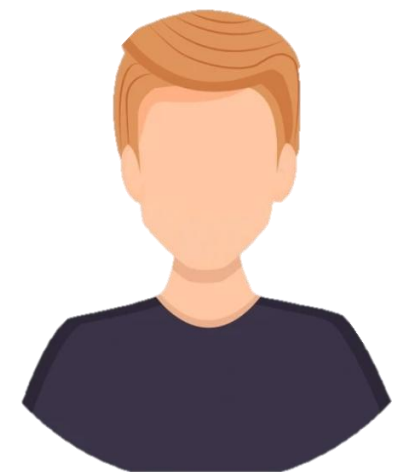
- All **documents and customs procedures** are completed on time
- Bills of Entry are filed properly
- **ORMs (Outward Remittance Messages)** are created and matched in **IDPMS**



Rohit
(Indian Resident)



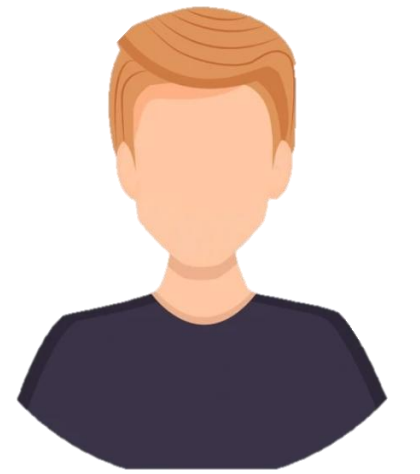
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- Importers comply with:
 - FEMA, 1999
 - FTDR Act, 1992
 - Foreign Trade Policy
 - IFSCA regulations

Banks may also create **internal guidelines** with Board approval.



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Are there reporting rules also?

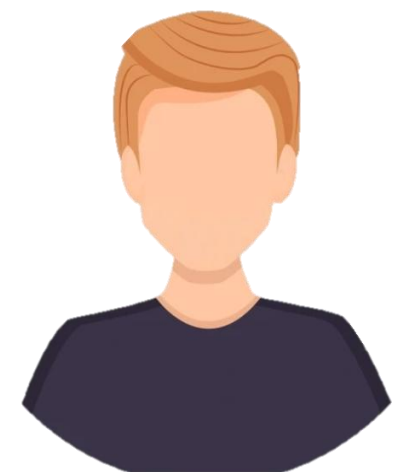


Rohit
(Indian Resident)

Yes. AD banks must report:

- All remittances in **IDPMS (ORM creation)**
- Transactions in **FETERS**
- Gold imports by QJs in **CIMS**

This ensures regulatory tracking.



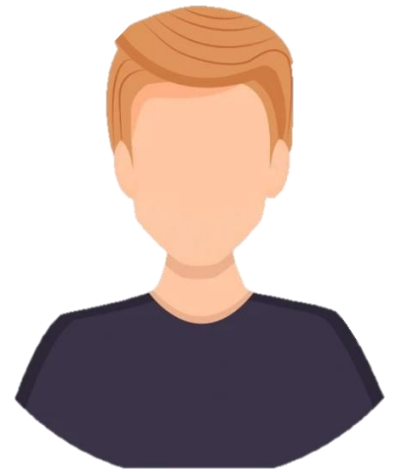
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So this entire system is only for importing physical gold?

Yes. This arrangement exists **solely to facilitate physical import of gold** through IIBX or similar IFSCA-authorized exchanges by Qualified Jewellers.



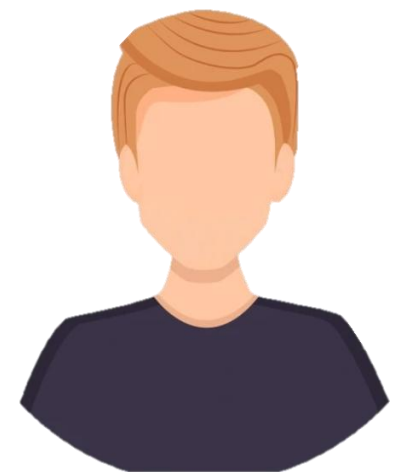
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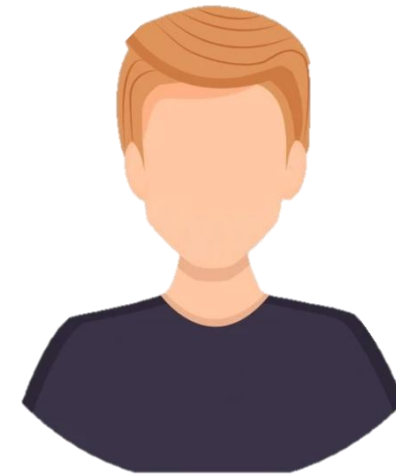
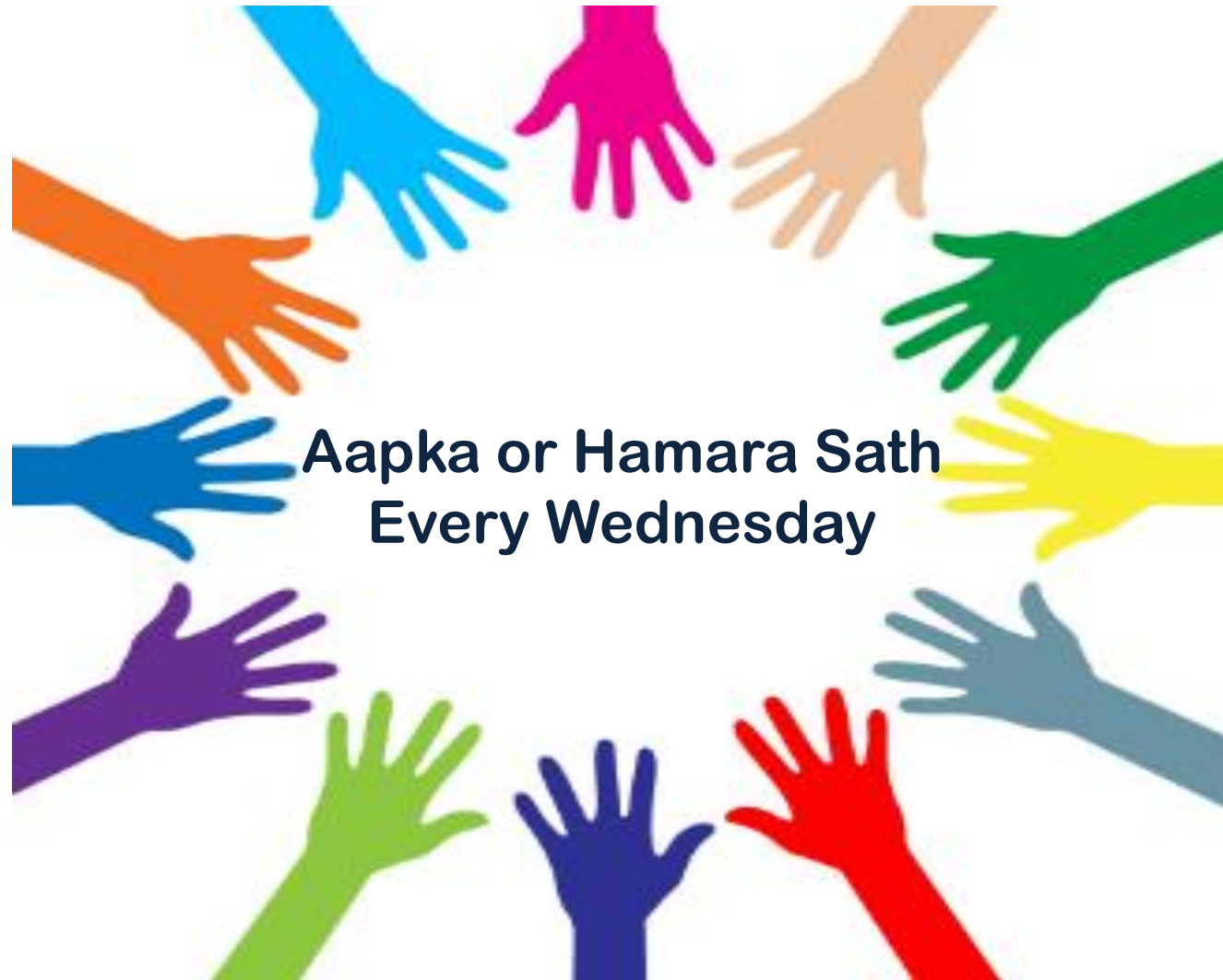
Thank you, FEMA Gyani. I came in totally confused, but now I clearly understand how gold import through IIBX works under FEMA.

You're welcome, Rohit



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Thank You



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Comments

Feedbacks

Suggestions



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