MCX signs deal with IBJA to set up bullion spot exchange

Mumbai: Multi Commodity Exchange of India Ltd (MCX) on Thursday said it has signed a memorandum of understanding (MoU) with India Bullion and Jewellers Association (IBJA) to set up bullion spot exchange. "MCX and IBJA have entered into an MoU to explore collaboration in setting up a bullion spot exchange in the country, in line with the government's vision of a regulated spot platform," MCX managing director and chief executive officer Mrugank Paranjape said in a statement. It will help in establishing trade-efficient and consumer-friendly system of regulated gold exchange in India for bullion stakeholders for efficient price discovery and transparency, Paranjape said.

Gold spot exchange, once set up, would help in creating a vibrant gold ecosystem corresponding to India's annual demand of around 800-900 tonnes. It would further lead to assurance in the quality of gold, provide for a robust settlement mechanism, multiple delivery centres, active retail participation, greater integration with financial markets, and boost recycling. It would also give a fillip to the gold monetization efforts of the government through transparency and standardization. Through this memorandum of understanding, the entities would also undertake a series of initiatives such as organizing joint seminars and awareness programmes on price risk management for jewellers and bullion traders across India. **PTI**