MCX Inks MoU with Indian Bullion and Jewellers Association (IBJA)

- *Jointly collaborate to explore opportunities to set up the Bullion Spot Exchange*
- *Organise joint awareness programmes and seminars for Bullion stakeholders*

Mumbai, August 16, 2018: Multi Commodity Exchange of India Ltd (MCX), the country's largest commodity exchange signed an MoU with India Bullion and Jewellers Association Ltd (IBJA), the apex industry body for all bullion and jewellery associations in India on various cooperation activities for the growth and development of bullion industry, including a joint viability of setting up a 'Bullion Spot Exchange' in India. It is in line with the Government of India's vision of establishing trade efficient and consumer friendly system of regulated gold exchange in the country for bullion stakeholders for efficient price discovery and transparency.

Gold Spot Exchange, once set up, would help considerably 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 Govt. through transparency and standardization of the gold market.

Both MCX and IBJA have been continuously working towards furthering the development of bullion and jewellery sector in India. By virtue of this MoU, the entities would also undertake a series of initiatives such as organising joint seminars and awareness programmes on price risk management for bullion traders and jewellers across the country. These awareness programs would serve to wean away the small and medium sized jewellers from unorganized markets, while educating them about the effective hedging tools such as Gold derivatives contracts—Futures & Options that will enable jewellers to maintain efficient risk management books of account. Moreover, the entities would facilitate measures to deepen commodity derivatives market and encourage participation of corporates/firms including SMEs on the commodity exchanges to manage their commodity price risk.

Mr. Mrugank Paranjape, MD & CEO, MCX said, "MCX and IBJA have worked jointly with missionary zeal for creating awareness on risk management and regulatory compliances among bullion traders and jewellers. This encourages jewellers to choose organized ways of working."
"In continuation to this, MCX and IBJA have entered an MoU to explore collaboration in setting up a Bullion Spot Exchange in India, in line with the Govt.'s vision of a Regulated Spot platform", he added.

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic, commodity futures exchange with permanent recognition from the Government of India. It is also the first exchange to introduce commodity options in India. In the financial year, 2017-18, the market share of MCX was 89.58%. MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on the Exchange platform. These include bullion, energy, metals and agri-commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information about MCX and its products visit www.mcxindia.com.

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