

RBI'S RETAIL DIRECT SCHEME – GILT ACCOUNTS



INTRODUCTION

We have heard of institutions dealing with government securities at various stages and many retailers wanted to invest or trade in them. RBI heard the requests of retailers and has come out with the following scheme on 12th November 2021.

The highlights of the 'RBI Retail Direct' scheme are:

- i. Retail investors (individuals) will have the facility to open and maintain the 'Retail Direct Gilt Account' (RDG Account) with RBI.
- ii. RDG Account can be opened through an 'Online portal' provided for the purpose of the scheme.
- iii. The 'Online portal' will also give the registered users the following facilities:
 - a. Access to primary issuance of Government securities
 - b. Access to NDS-OM.

HOW DOES A RETAILER GAIN BY THIS SCHEME?

As retailer can do the following activities with government securities. (It is pertinent to note that until 12th November 2021, one retailer must go through the financial institutions to carry out this activity. Yes, it was considered exotic to buy/sell these government securities and financial institutions rarely helped a retailer to navigate this process). As an individual investor, one is sure of its payments and it is safe, movements of its values are market based, and one feels really participating in the development of the nation. Yes, it makes one proud to help the government by this step.

WHAT IS A GOVERNMENT SECURITY?

Government securities are those which are those issued in form of stock by credit to SGL/CSGL account maintained with RBI as defined under Section 3(iii) of Government Securities Act 2006.

These include:

- i. Government of India Treasury Bills.
- ii. Government of India dated securities.
- iii. Sovereign Gold Bonds (SGB).
- iv. State Development Loans (SDLs).

WHO IS A RETAIL TRADER?

One who can open and maintain a RDG account with the following requirements:

- Rupee savings bank account maintained in India
- Have a permanent account number issued by Income tax department
- Any OVD for KYC purposes. (OVD means Officially Valid Document defined under RBI-Know Your Customer (KYC) Direction, 2016, as amended from time to time)
- Valid email id and registered mobile number.

WHAT ABOUT A NON-RESIDENT RETAIL INVESTOR?

Those who can invest in Government Securities under Foreign Exchange Management Act, 1999 are eligible.

Yes, your presumption that the above RDG account can be opened or jointly with other who is equally eligible to open this account.

PROCEDURES

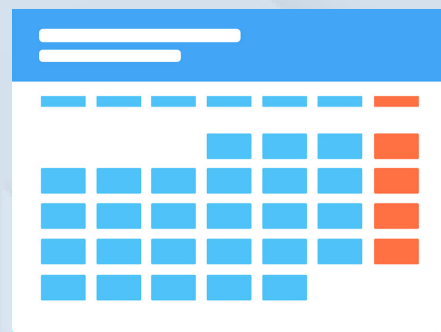
REGISTRATION

- i) "Investors can register on the online portal by filling up the online form and use the OTP received on the registered mobile number and email id to authenticate and submit the form.
- ii) Instructions issued under RBI-Know Your Customer (KYC) Direction, 2016, updated from time to time, will be adhered to during onboarding the investors. Upon successful registration, 'Retail Direct Gilt Account' will be opened and details for accessing the online portal will be conveyed through SMS/e-mail.
- iii) RDG Account shall be used for primary market participation/ secondary market transactions on NDS-OM."

FEE AND CHARGES

- a. No fee will be charged for opening and maintaining 'Retail Direct Gilt account' with RBI.
 - b. No fee will be charged by the aggregator for submitting bids in the primary auctions.
- Fee for payment gateway etc., as applicable, will be borne by the registered investor.

COMPLIANCE CALENDER NOVEMBER 2021



GST	
GSTR 3B OCT 2021(Turnover in the previous financial year more than Five Crores)	20-11-2021
GSTR 3B OCT 2021 (Others)	22-11-2021
GSTR 1 OCT (Turnover more than Rs. 1.5 Crores)	11-11-2021
Income Tax	
Deposit of TDS	07-11-2021
ESI	
Payment for the month of OCT 2021	15-11-2021
PF	
Payment for the month of OCT 2021	15-11-2021
Return Filing for the month of OCT 2021	25-11-2021