

The Quiet Repatriation of Sovereign Gold from the US



by Ravi Balgobin Maharaj

- Central banks in Europe and beyond are quietly moving gold out of US vaults, often insisting its technical housekeeping rather than distrust.
- The trend is not only a consequence of volatile transatlantic relations, but reflects a broader search for control over strategic national assets in an age of geopolitical uncertainty.
- Europe collectively holds more monetary gold than any other economic bloc, yet lacks common infrastructure to manage this strategic asset.

At the beginning of this year, **gold overtook US treasuries** as the top global reserve asset. Gold now represents 27 per cent of assets held by the world's central banks, or approximately 4 trillion US dollars, against 22 per cent, or approximately 3.9 trillion, in US Treasury bonds. Is the world going back to the pre-Bretton Woods era? At first sight, the figures seem to suggest that countries have suddenly stopped trusting the United States. This is partially true, but too simplistic as an explanation. The trend is also explained by a desire of taking back control of a key national asset, at a time when the use of economic statecraft tools is growing worldwide.

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Europe taking back control

In September, **De Nederlandsche Bank confirmed** it had shifted roughly 86 tonnes of gold out of the Federal Reserve Bank of New York and the Bank of Canada in Ottawa, sending it to London instead, as part of what it called a crisis preparedness exercise. Before the transfer, New York alone held nearly a third of all Dutch gold, but today, it holds under a fifth. The Dutch central bank was careful – or pointedly careful – to declare the move had nothing to do with doubts about American custodianship. Its governor spoke instead about tradability and the practical benefit of having reserves closer to the markets where they might one day need to be sold or pledged in a hurry.

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Only last year **Banque de France did something similar**, and even more drastic. Between July 2025 and January 2026, it conducted 26 separate transactions to sell off the last of its older, non-standard gold bars that had been sitting in New York. The proceeds were used to buy newly compliant bars now stored entirely in Paris. For the first time since the 1920s, the full French reserve, some 2,400 tonnes, now sits at home. **Governor Villeroy de Galhau was equally insistent** that none of this was political.

The explanations provided by the Dutch and French central bankers are not just an attempt to appease the US. There are genuine technical reasons for a central bank to want its gold closer to where it trades, and genuine housekeeping reasons to swap out old bars for ones that meet current market specifications. But technical language and strategic anxiety are not mutually exclusive. A central bank can believe that its gold is perfectly safe in New York, and still conclude that safety is not quite the same as

control. In uncertain times, central banks are retaking control of their gold.

Control is also central to the German debate, which is even more revealing than the Dutch and French ones. Between 2013 and 2017, the **Bundesbank repatriated 674 tonnes of gold** from Paris and New York. The Bundesbank still has 1,236 tonnes sitting in the vault of the Federal Exchange in Manhattan, which represents more than a third of its total reserve. Over the past year the calls to bring at least some of that home have grown noticeably louder. The worry – as **one analysis put it** rather well – is that political friction could make the gold harder to retrieve in an emergency. There are only two ways to address this concern: either by physically moving the bars – or by deciding you trust the relationship enough not to.

Beyond the Trump effect

These are not isolated cases. **Turkey** went further still in 2018, pulling everything it held at the New York Federal Exchange and rerouting its gold activity through its own domestic exchange in Istanbul. **Hungary** tripled its reserves in 2021 and brought the lot home to Budapest in the same stroke, framing the decision explicitly around direct access rather than yield or convenience. **Austria** settled on an even split between what it keeps at home and what it leaves abroad. And **Poland** brought a hundred tonnes back from the Bank of England.

Once you start looking beyond Europe the pattern only gets stronger, and it stops looking like a purely transatlantic story. **India** has spent the past couple of years quietly repatriating gold from London until, by the end of March 2026, three quarters of its official holdings sat on Indian soil rather than abroad. None of these countries share an obvious ideological alignment. And yet they arrived independently at a similar conclusion about where their gold should sit.

The World Gold Council's own **survey work**, published in June 2026, confirms the trend.



Domestic storage is now the second most popular vaulting choice among central banks at 49 per cent, trailing only the Bank of England. The survey also recorded a marked jump in banks actually acting on that preference. Nine per cent of respondents said they had increased domestic storage over the past year, 10 per cent that they had diversified their overseas locations – roughly double the equivalent figures from the year before. Central banks have bought gold at an average pace of a thousand tonnes a year over the past four years, double the average of the decade before that.

Asia enters the gold reserve rush

Something changed in 2022 – the year the United States and its allies froze roughly half of [Russia's gold and foreign currency reserves](#) in response to the invasion of Ukraine. That single act, whatever one thinks of it, taught every finance ministry a lesson about the difference between owning an asset and controlling it. Reserves held inside a jurisdiction that can freeze them are reserves held on borrowed confidence.

This is where the story gets interesting for those watching from London and Brussels rather than Ankara or New Delhi – because the infrastructure now being built to absorb this shift is not European at all. Singapore's monetary authority is preparing to offer gold vaulting services to foreign central banks from this October, backed by a new clearing system the Singapore Exchange is building with a group of international bullion banks. Hong Kong has been running trial operations of its own government-backed clearing and settlement platform since the summer. Hong Kong also set out a multi-phase plan to build vault capacity toward two thousand tonnes within a few years, explicitly pitching itself as a trusted regional reserve hub. Neither city is trying to dethrone London. The British capital remains deep in a way that cannot be replicated overnight. But depth is not the only virtue a reserve manager is shopping for anymore. Legal certainty, political

neutrality, and the ability to move your own metal without needing anyone's permission are now weighed just as heavily. Asia is quietly building credible answers on all three fronts.

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Conclusion

Why should this matter to a European audience? We are watching the slow unbundling of an assumption that has held since Bretton Woods – namely that the dollar system and its custodial infrastructure were the water European and allied economies swam in, unquestioned because unquestionable. Today nobody is proposing an alternative reserve currency to the dollar with any seriousness. The dollar's centrality in trade invoicing and debt markets is not going anywhere soon. But the physical gold sitting underneath that system is being repositioned by dozens of governments at once, in small increments that individually look like housekeeping and collectively look like a hedge against a world where alliances can no longer be assumed to be permanent.

In November 2025, a senator from Prime Minister Giorgia Meloni's party, Fratelli d'Italia, attached an [amendment to the 2026 budget law](#) stating plainly that the gold “managed and held” by the Banca d'Italia belongs to the State, on behalf of the Italian people, rather than to the technically independent central bank that has always held it in trust. The proposal touched Italy's roughly 2,452 tonnes of gold, the world's third-largest national hoard after the United States and Germany. The European Central Bank (ECB) [objected in writing](#), inviting Rome to reconsider, and did so a second time within a week, warning that the change risked colliding with the Treaty's guarantees of central bank



independence and the prohibition on using monetary reserves to finance a government's budget. By mid-December the wording had been reformulated. Set alongside Berlin, Paris and Amsterdam, the Roman episode looks like a variation on a theme rather than a departure from it. Who controls Italian gold? An elected government or an independent monetary authority bound by European treaties?

If one were to combine Germany's roughly 3,350 tonnes of gold reserves to France's 2,400 tonnes and Italy's 2,452 tonnes, it would mean that the three largest holders inside the euro area sit on more gold than the United States' 8,133.5 tonnes on its own. Fold in the Netherlands, Spain, Belgium, Austria, Portugal and the ECB's own reserves, and the Eurosystem's official gold holdings come to something in the order of 10,800 tonnes: on paper, the largest single pool of monetary gold on the planet.

The Italian episode shows that the idea of merging European reserves would hardly fly.

But nothing requires merged ownership to build shared infrastructure. The Eurosystem already runs a settlement layer, in which each national central bank keeps its own balance sheet and its own legal standing while the plumbing underneath is common. Gold has no equivalent: it has no shared custody standard, no common ledger of provenance, no treaty-bound facility where countries could repatriate their reserves instead of building national vaults from scratch. Nor is there vehicle through which Europe could attract the same non-aligned reserve managers that Singapore and Hong Kong are now courting. Such a framework would not settle the Roman question of ownership, but it would make institutionally permanent the very principle the ECB spent December defending by legal opinion. Gold inside the euro system is a common instrument of monetary credibility, not a national piggy bank subject to whichever government is short of room in its budget. Europe has, in other words, already built the argument for this institution, even if it has not yet built the institution itself.

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