

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 1840

ANSWERED ON TUESDAY, 2nd August, 2022/ **Sravana 11, 1943 (Saka)**

Permission for international trade in Rupee

1840 # Shri Brijlal:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government or Reserve Bank of India (RBI) has allowed Indian importers and exporters to do international trade in Indian Rupees, and if so, the details thereof;
- (b) the norms set by Government/RBI for the same; and
- (c) the benefits likely to accrue to Indian importers and exporters by this step?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): Yes, Sir. The Reserve Bank of India (RBI) has allowed invoicing and payments for international trade in Indian Rupee vide A.P (DIR Series) Circular No. 10 RBI/2022-2023/90 dated 11.07.2022 on "International Trade Settlement in Indian Rupees (INR)".

(b): The broad framework for cross-border trade transactions in INR under the Foreign Exchange Management Act, 1999 (FEMA) has been delineated by RBI in the said Circular dated 11.07.2022. The Circular lays down that all exports and imports under the arrangement may be denominated and invoiced in Rupee (INR), the exchange rate between the currencies of the two trading partner countries may be market determined, and the settlement of trade transactions under the arrangement shall take place in INR in accordance with the procedure laid down in the Circular.

(c): RBI has put in place the arrangement for invoicing, payment, and settlement of exports / imports in INR in order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR.
