

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1515**

ANSWERED ON TUESDAY, 14<sup>th</sup> March, 2023/ **Phalguna 23, 1944 (Saka)**

**Countries willing to trade in Indian rupee**

**1515. Shri Sushil Kumar Modi:**

Will the Minister of FINANCE be pleased to state:

- a. the details of countries settling overseas trade in INR and those that have expressed interest to do the same;
- b. the details of domestic and international banks that have opened Special Rupee Vostro Accounts (SRVAs) for facilitation of international trade in INR;
- c. the total number and monetary value of trade transactions settled in INR to date, details thereof, country-wise;
- d. whether there are any challenges associated with facilitation of trade in INR using the mechanism, if so, the details thereof; and
- e. the expected timeline for the release of standard operating procedures pertaining to the Rupee settlement mechanism by the Reserve Bank of India?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

**(DR. BHAGWAT KARAD)**

**(a) to (d):** 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)". RBI has put in place the arrangement to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR. The framework put in place by RBI is applicable for any partner country seeking to undertake trade with India in INR in terms of RBI's Circular dated 11.07.2022. In terms of Para 10 of RBI's Circular, the approval process is that for opening of Special INR Vostro accounts, banks of partner countries may approach Authorized Dealer (AD) banks in India which may seek approval from RBI with details of the arrangement. As on date, approvals have been granted by RBI to domestic and foreign AD Banks in 60 cases for opening of Special Rupee Vostro Accounts (SRVAs) of correspondent banks from 18 countries, namely Botswana, Fiji, Germany, Guyana, Israel, Kenya, Malaysia, Mauritius, Myanmar, New Zealand, Oman, Russia, Seychelles, Singapore, Sri Lanka, Tanzania, Uganda, and United Kingdom. The procedures for facilitation of trade in INR have been delineated by RBI in the said Circular. RBI has also issued Frequently Asked Questions (FAQs) on International Trade Settlement in INR on its website on 01.12.2022. RBI has clarified matters related to the operationalization of SRVAs through the said FAQs, which are available to banks, importers and exporters, etc. for using this mechanism.

**(e):** RBI has already 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)". The procedures for trade transactions in INR have been delineated by RBI in the said Circular. RBI has also issued Frequently Asked Questions (FAQs) on International Trade Settlement in INR on its website on 01.12.2022.

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