

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

UNSTARRED QUESTION NO. 522

ANSWERED ON MONDAY, 6th FEBRUARY, 2023/ MAGHA 17, 1944 (SAKA)

TRADE IN DOMESTIC CURRENCY

522. SHRI P.C. MOHAN:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government is proposing for increase in trade in the domestic currency;
- b) if so, the details thereof; and
- c) the steps taken by the Government to promote "Rupee trade"?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): 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)". The Circular lays down that all exports and imports under the arrangement may be denominated and invoiced in Rupee (INR) and the settlement of trade transactions under the arrangement shall take place in 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.

Further, the Directorate General of Foreign Trade (DGFT) has introduced a provision in the Foreign Trade Policy vide Notification No. 33/2015-20 dated 16.09.2022, to allow for International Trade Settlement in INR i.e., invoicing, payment, and settlement of exports / imports in Indian Rupees in sync with RBI's Circular dated 11.07.2022. Further changes have been introduced in the Foreign Trade Policy vide DGFT's Notification 43/2015-20 dated 09.11.2022 and Public Notice 35/2015-20 dated 09.11.2022 for grant of exports benefits and fulfilment of Export Obligation for export realisations in INR as per RBI guidelines.
