

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**STARRED QUESTION NO. \* 157**

ANSWERED ON MONDAY THE 31<sup>st</sup> JULY, 2023/ SRAVANA 9, 1945 (SAKA)

**INTERNATIONALISATION OF INDIAN RUPEE**

**\*157: PROF. SOUGATA RAY:**

Will the Minister of FINANCE be pleased to state:

- (a) the details of reports of Reserve Bank of India Committee on Internationalisation of Indian Rupee;
- (b) the efforts made by the Government so far for the inclusion of Indian currency in International Monetary Fund's (IMP's) Special Drawing Rights (SDR);
- (c) the details of world currencies in the basket of SDR as of now; and;
- (d) the steps taken so far by the Government to integrate Indian payment systems with other currencies with cross border transactions and strengthening of financial markets?

ANSWER  
FINANCE MINISTER  
**(SMT. NIRMALA SITHARAMAN)**

(a) to (d): A Statement is laid on the Table of the House.

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**STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO. \*157 FOR 31<sup>st</sup> JULY 2023 ON “INTERNATIONALISATION OF INDIAN RUPEE” TABLED BY PROF. SOUGATA RAY, MEMBER OF PARLIAMENT**

**(a):** An Inter-Departmental Group (IDG) of the Reserve Bank of India (RBI) was constituted in December 2021 to examine the issues related to internationalisation of INR and suggest a way forward. IDG has submitted its report to RBI.

**(b) and (c):** There are two selection criteria for inclusion of a currency in the Special Drawing Rights (SDR) basket:

- i. Export criterion: exports of goods and services during the most recent five-year period before the effective date of the revision.
- ii. Freely usable currency criterion: As per International Monetary Fund's (IMF)'s Articles of Agreement, a freely usable currency is one that, as determined by the Fund, is (i) widely used to make payments for international transactions and (ii) widely traded in the principal exchange markets.

The SDR is an international reserve asset created by the IMF to supplement the official reserves of its member countries. The value of the SDR is based on a basket of five currencies — U.S. Dollar, Euro, Renminbi, Japanese Yen, and British Pound Sterling. IMF, with effect from 01.08.2022, has assigned the following weights:

- i. U.S. Dollar: 43.38 percent
- ii. Euro: 29.31 percent
- iii. Chinese Renminbi: 12.28 percent
- iv. Japanese Yen: 7.59 percent
- v. Pound Sterling: 7.44 percent

The SDR basket is reviewed quinquennially. At the time of 2022 review of SDR, India was ranked as the 10<sup>th</sup> largest exporter, accounting for 2.5% of world exports during 2017-21. It has been India's position that IMF may extend its work towards developing possible new criteria that would broaden the SDR basket.

**(d):** Steps taken by RBI to integrate Indian Payment System with other jurisdictions inter alia include:

- i. Global outreach of India's Payment Products viz. Unified Payments Interface (UPI) and RuPay to enhance cross-border transactions between India and other countries.
- ii. Cross-border linkage between Fast Payment Systems of India and Singapore, viz. UPI and PayNow was launched in February 2023.
- iii. Funds held in bank accounts or e-wallets can be transferred to / from India using just the UPI-Id, mobile number, or Virtual Payment Address (VPA). Acceptance of UPI through QR codes has been enabled in Bhutan, Singapore, and the UAE. Indian tourists travelling to these countries can use their UPI Apps to make payment at merchant sites.
- iv. Acceptance of Global RuPay co-badged cards has been enabled in across 200+ countries through co-badging arrangements with few international card schemes. Network to network bilateral arrangements have also been made to enable acceptance of Domestic RuPay cards in Bhutan, Singapore, and the UAE. Issuance of RuPay cards through banks is live in Bhutan.
- v. Recently, RBI and the Central Bank of the UAE (CBUAE) have signed an MoU for cooperation for interlinking their payment systems. Under this MoU, inter alia, the two central banks agreed to cooperate on linking their Fast Payment Systems – Unified Payments Interface (UPI) of India with Instant Payment Platform (IPP) of UAE; and linking the respective Card Switches (RuPay switch and UAESWITCH).