

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION No. 527
ANSWERED ON 07/02/2025

INTERNATIONALISATION OF INDIAN RUPEE

527. SHRI RAJEEV SHUKLA:

Will the Minister of Commerce and Industry be pleased to state:

- (a) whether Government is taking measures for allowing international trade settlement in Indian Rupees;
- (b) if so, the details of the same;
- (c) the details of progress made in this respect;
- (d) whether it is a fact that Russia has recently raised concerns over trade in Rupee; and
- (e) the proposed measures to be taken in this regard?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SH. JITIN PRASADA)

(a) to (c) The Government in consultation with the Reserve Bank (RBI), has taken several steps towards increasing the availability and acceptability of INR and use of other local currencies for cross border transactions. RBI vide Circular No.10 dated 11th July, 2022, has delineated an additional arrangement for invoicing, payment, and settlement of exports/ imports in INR through Special Rupee Vostro Accounts (SRVAs). Amendments have also been made by DGFT in the Foreign Trade Policy to allow for invoicing, payment, and settlement of exports/imports in Indian Rupees. Amendments have also been made in the Foreign Trade Policy for grant of exports benefits and fulfilment of Export Obligation, for export realisations made in Indian Rupees as per the said RBI guidelines. As on date, RBI has permitted 123 Correspondent banks from 30 trading partner countries for opening of total 156 SRVAs with 26 AD banks in India. The Reserve Bank (RBI) has also entered into Local Currency Settlement

System (LCSS) arrangements with select trade partner countries (UAE, Indonesia and Maldives) for encouraging settlement of cross-border trade in INR and the local Bank of the partner country. Further, in December 2023, the Foreign Exchange Management (Manner of Receipt and Payment) Regulations were revised to enable cross border transactions in all foreign currencies (including local currencies of trading partner countries) and INR.

(d) & (e) From time to time, any challenges and concerns that are received through bilateral mechanism or any other established mechanisms are reviewed and addressed through various stakeholders.
