

RBI FRAMEWORK FOR INVOICING AND PAYMENTS FOR INTERNATIONAL TRADE IN INDIAN RUPEE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

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)”. This was stated by the Union Minister of State for Finance, Dr Bhagwat Kisanrao Karad, in a written reply to a question in Lok Sabha today.

Giving more information, thr Minister stated that 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, the Minister added.

Further, the Minister stated, 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, the Minister stated.

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