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AGREEMENT FOR BILATERAL SWAP ARRANGEMENT (BSA) BETWEEN INDIA AND JAPAN AND PROVIDES FOR INDIA TO ACCESS 75 BILLION IN US DOLLARS.

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Ministry of Finance

Agreement for Bilateral Swap Arrangement (BSA) between India and Japan and provides for India to access 75 billion in US dollars.

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Reserve Bank of India and Bank of Japan have completed signing of the Agreement for Bilateral Swap Arrangement (BSA) between India and Japan. It may be recalled that the BSA was negotiated between India and Japan during the visit of Prime Minister Shri Narendra Modi to Tokyo on 29.10.2018. This BSA provides for India to access 75 billion in US dollars whereas the earlier BSA had provided for US $50 billion. The BSA was approved by the Union Cabinet on 10.01.2019.

The agreement for the BSA has become effective from today i.e. 28.02.2019. India can access the agreed amount of USD 75 billion for its domestic currency, for the purpose of maintaining an appropriate level of balance of payments or short-term liquidity. A part of the BSA can be accessed at the discretion of India. India has comfortable level of foreign exchange reserves presently. The BSA provides India flexibility to use these reserves if at any point of time, in its judgment, there is need to use the resources available under BSA.

Government of India welcomes BSA effectiveness and expresses its gratitude to Japan for agreeing to enter into this arrangement. This is in the spirit of strong partnership and carries out its strategic partnership further. This financial cooperation would further enhance the strong economic ties between India and Japan.

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