



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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Sub: Feedback/ Suggestions on International Trade Settlement in INR through SRVA Mechanism

Dear Member,

As you may be aware that RBI had introduced the mechanism for invoicing, payment, and settlement of exports / imports in INR vide AP Dir Series Circular No.10 dated July 11, 2022 as an additional arrangement for settlement of international trade through Special Rupee Vostro Account (SRVA).

Under this mechanism, exporters and importers can use a Special Vostro account linked to the correspondent bank of the partner country for receipts and payments denominated in rupees. This mechanism may enable Indian exporters to receive advance payment against exports from overseas importers in rupees. This move is a step to increase the use of INR in international transactions and to reduce dependence on hard (freely convertible) currencies.

DGFT has made necessary provisions in the Foreign Trade Policy to permit export benefits/ fulfilment of export obligations for Invoicing, payment and settlement of exports and imports in INR through the SRVA mechanism.

Multiple SRVAs have also been opened in various Domestic Banks to facilitate Imports/ Exports trade settlement in INR after the introduction of the mechanism.

The Government, RBI, Banks and Trade Bodies have been making concerted efforts to create awareness of the mechanism among trading communities in India as well as in trading partner countries. It has been observed by the Govt. that since the introduction of the mechanism no utilisation has been picked up.

In view of the above, a Working Group has been formed by the Govt. of India, to interact with the concerned stakeholders, identify the issues faced in routing the transactions. In this connection, the Council has received a communication from SBI seeking inputs/suggestions from exporters to enable them to pursue the matter with the concerned authorities for creating necessary enablers in order to popularise the SRVA mechanism.

Members are requested to kindly send us the issues faced by you which is causing lower utilisation of the mechanism and suggestions for improvements/ enablers

which can bring an increase in the number of transactions routed through the mechanism.

Please provide your inputs/suggestions on Microsoft Form (link provided) latest by 3 pm on Wednesday 23.08.2023. (<https://forms.office.com/r/YpsAPzFfm9>).

Once the process of filling the Google Form is completed, you may take a printout of the Form and send it to the Council on the following email ids (sybil@texprocil.org, annie@texprocil.org) to enable us to follow-up with the concerned authorities.

Your support in this matter shall help India facilitate Trade with the Trading Partners in INR without any hindrance.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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