

Settlement of India-Malaysia Trade in Indian Rupee

Mumbai, 01st April 2023: Trade between India and Malaysia can now be settled in Indian Rupee in addition to the current modes of settlement in other currencies. This follows the decision by **the Reserve Bank of India (India's Central Bank) in July 2022** to allow settlement of international trade in Indian Rupees. This measure is aimed at facilitating the growth of global trade and to support the interests of the global trading community in Indian Rupee.

Union Bank of India is the first Bank in India that has operationalised this mechanism by opening a **Special Rupee Vostro Account** through its Corresponding Bank in Malaysia i.e. **India International Bank of Malaysia**.

This mechanism will allow the Indian and Malaysian traders to invoice the trade in Indian Rupee and therefore achieve better pricing for goods and services traded. This mechanism is expected to also benefit the traders on both sides as they can directly trade in Indian Rupee and therefore save on currency conversion spreads.

India-Malaysia bilateral trade, which has reached **US\$19.4 billion in FY 2021-22**, is expected to benefit from the option to settle bilateral trade in Indian Rupee.

XXXXXXXXXXXXX

Classification: Internal



Released on behalf of Union Bank of India by:-

GM, Corporate Communication; Tel: 22896300; E-mail: gm.ccd@unionbankofindia.bank
Corporate Communications, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 021.