



High Commission of India  
Kuala Lumpur

**Press Release**

**Settlement of India-Malaysia Trade  
in Indian Rupee (INR)**

1. Trade between India and Malaysia can now be settled in Indian Rupee (INR) 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 Rupee (INR). This initiative by the Reserve Bank of India is aimed at facilitating the growth of global trade and to support the interests of the global trading community in Indian Rupee (INR). This new mechanism is also aligned with Malaysia's foreign exchange policies (FEP) as part of which Malaysian banks are allowed to undertake settlement of international trade in goods or services in any foreign currency, subject to the rules and regulations of Bank Negara Malaysia.
2. India International Bank of Malaysia (IIBM) is the first Bank in Malaysia that has operationalised this mechanism by opening a Special Rupee Vostro Account through its Corresponding Bank in India i.e. Union Bank of India.
3. This mechanism will allow the Indian and Malaysian traders to invoice the trade in Indian Rupee (INR). Potential benefits from this mechanism include better pricing for traded goods and services and the ability to directly trade in Indian Rupee (INR) and therefore saving on currency conversion spreads.
4. India-Malaysia bilateral trade, which has reached US\$19.4 billion in FY 2021-22, is expected to benefit from this new option to settle bilateral trade in Indian Rupee (INR).
5. To know more details about trade settlement in Indian Rupee (INR), please check the FAQ available on IIBM's website ([www.Indiainternationalbank.com.my](http://www.Indiainternationalbank.com.my)) or contact IIBM ([dyceo@iibm.com.my](mailto:dyceo@iibm.com.my)) or visit the office of IIBM (Ground Floor, Bangunan Yee Seng, 15, Jalan Raja Chulan, Bukit Bintang, 50200 Kuala Lumpur).

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