

## **Special Rupee Vostro Account (SRVA)**

**(Updated as on July 30, 2026)**

**Disclaimer:** These FAQs are for general guidance purpose only. In case of any inconsistency(ies) between FAQ and FEMA, 1999, Rules/Regulations/Directions/Permissions issued thereunder, the latter shall prevail.

**Q 1:** How is the Special Rupee Vostro Account (SRVA) different from the already existing Rupee Vostro Account provided for under Foreign Exchange Management (Deposit) Regulations, 2016?

**Answer:** The settlement of International trade in Indian Rupees (INR) through SRVA is an additional arrangement to the existing system of settlement. Facilities to use SRVA balances for permissible investments make it distinct from normal Rupee Vostro Account.

**Q 2:** Is the Indian branch of foreign bank eligible to open Special Rupee Vostro Account of headquarter branch/any other branch situated in any foreign country?

**Answer:** Yes, provided Indian branch of foreign bank is an AD bank.

**Q 3:** Can the existing Rupee Vostro Accounts of banks from any country be used as Special Rupee Vostro Accounts under the new mechanism?

**Answer:** No. Existing Rupee Vostro Accounts may not be used as SRVA as nature of both accounts are different.

**Q 4:** Can a foreign bank or its branches maintain more than one Special Rupee Vostro Account with different AD banks?

**Answer:** Yes

**Q 5:** Can an AD bank in India open only one SRVA from a foreign country?

**Answer:** No. AD bank in India can open multiple SRVAs for different banks from the same country.

**Q 6:** How will the exchange rate be determined?

**Answer:** Exchange rate between INR and other foreign currencies will be market determined.

**Q 7:** How would the exchange rate between INR and the currency of the country of correspondent bank be market-determined in the absence of direct quote for the pair of currencies?

**Answer:** The exchange rate for most currencies is generally arrived at using the rates of major currencies like the USD, EUR, JPY etc. In the transition phase, when there is no direct exchange rates between INR and other non-major currencies (say Sri Lankan Rupee), the exchange rate would be derived using the exchange rate of major currencies (cross-currency rate).

**Q 8:** Can balances in SRVA be repatriated?

**Answer:** Yes. The balance in the SRVA is freely repatriable.

**Q 9:** Whether income from the deployment of INR balance in SRVA can be repatriated ?

**Answer:** Yes, the income from the deployment of INR balance (investments that are permitted) can be repatriated subject to applicable regulatory guidelines and tax provisions.

**Q 10:** Can balances in SRVA be used for FDI, ECB?

**Answer:** Balance in SRVA can be used for any permissible current and capital account transaction under the extant FEMA framework.

**Q 11:** What are the different types of investment where balance can be invested?

**Answer:** Investments in debt instruments out of the balances held in the SRVA shall be governed by the [Master Direction - Reserve Bank of India \(Non-resident Investment in Debt Instruments\) Directions, 2025](#), as amended from time to time.

**Q 12:** Whether INR balance in SRVA can be hedged?

**Answer:** Yes, INR exposure can be hedged in terms of applicable guidelines.

**Q 13:** For investment in T-Bills and government securities from funds of SRVA with AD bank, whether FPI license is required by the account holder overseas bank?

**Answer:** No.

**Q 14:** Which bank will be responsible for reporting for cross border transaction either AD bank in India or correspondent bank?

**Answer:** The AD bank maintaining the SRVA in India shall be responsible for the reporting of transactions involving the SRVA of the correspondent bank.

**Q 15:** How this new mechanism will benefit the Indian traders?

**Answer:** As the transactions will be settled in INR, it will reduce the exchange rate risk for the Indian exporters and importers.

**Q 16:** Where can I find the details of SRVAs opened by Indian Banks?

**Answer:** The details of SRVA can be found on FEDAI's website under link 'SRVA Directory'.

**Q 17:** Can a Person Resident Outside India (PROI) settle transactions with another PROI using balances in Special Rupee Vostro Accounts (SRVA)?

**Answer:** Yes. Persons Resident Outside India (PROIs) may settle bona fide transactions with other PROIs using balances held in repatriable INR accounts including Special Rupee Vostro Accounts (SRVAs) & Special Non-Resident Rupee Accounts (SNRR).

**Q 18:** Is SRVA permitted to be funded by transactions other than trade?

**Answer:** Yes. SRVAs can be funded by inward remittances as well as transfer from other repatriable INR accounts like RVA and SNRR. The proceeds accrued through permissible current and capital account transactions under FEMA can also be held in the SRVA.

**Q 19:** Can merchanting trade transactions (MTT) be settled in SRVA?

**Answer:** Yes. All permissible capital and current account transactions under FEMA may be settled through the SRVA.