RBI CONSOLIDATES REGULATORY FRAMEWORK FOR SPECIAL RUPEE VOSTRO ACCOUNTS (SRVAS), SUPERSEDING FIVE PRIOR CIRCULARS

The RBI has consolidated the regulatory framework for Special Rupee Vostro Accounts ("SRVAs") by bringing together instructions issued between July 2022 and October 2025 into a single circular dated July 17, 2026. The consolidated circular supersedes the five earlier circulars on international trade settlement in Indian Rupees (INR) and rationalises the framework governing the opening, funding, use, investment and reporting of SRVAs by Authorised Dealer ("AD") Category-I banks.

ANALYSIS

- The consolidated circular A.P. (DIR Series) Circular No. 19 dated July 17, 2026 (RBI/2026-27/203) supersedes A.P. (DIR Series) Circular No. 10 dated July 11, 2022, Circular No. 08 dated November 17, 2023, Circular No. 11 dated June 11, 2024, A.P. (DIR Series) Circular No. 08 dated August 05, 2025, and A.P. (DIR Series) Circular No. 14 dated October 03, 2025.
- AD banks in India may open SRVAs of their own branch outside India, or of a bank resident outside India, under Regulation 7(1) of the Foreign Exchange Management (Deposit) Regulations, 2016 without the separate RBI approval process previously required, that approval-process requirement having been withdrawn with effect from the August 2025 circular and now subsumed into the consolidated framework.
- SRVA settlement is confirmed as an additional arrangement for invoicing, payment and settlement of exports and imports in INR; all permissible current and capital account transactions under FEMA may also be routed through the SRVA.
- AD banks maintaining an SRVA are permitted to open an additional current account for the exporter/importer, used exclusively for settlement of export/import transactions.

- SRVAs may be funded through inward remittances, transfers from other repatriable INR accounts, and proceeds from permissible current and capital account transactions under FEMA.
- Investment of SRVA balances in debt instruments continues to be governed by the Master Direction – Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025, as amended.
- Documentation and reporting of cross-border transactions through the SRVA remain governed by extant FEMA guidelines, and details of SRVAs held by overseas correspondent banks are to be periodically updated in the 'SRVA Directory' published by FEDAI.
- The circular is issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999, and takes effect with immediate effect; it is signed by Shri N. Senthil Kumar, Chief General Manager, Foreign Exchange Department.

KEY TAKEAWAYS

- RBI has streamlined SRVA compliance into a single circular, superseding five separate issuances made between July 2022 and October 2025.
- AD banks can open SRVAs without a distinct RBI approval process, consistent with the liberalisation introduced in August 2025 and now folded into the consolidated instructions.
- Permitted use of SRVA balances extends beyond trade settlement to cover all permissible current and capital account transactions under FEMA, and supports an additional current account for exporters/importers.
- A centralised, FEDAI-maintained SRVA Directory is intended to improve transparency around overseas correspondent banking relationships using the SRVA mechanism.
- The notification is attached here in:

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