



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Press Release

Reserve Bank of India and Bank Indonesia Sign Memorandum of Understanding (MoU) to Promote Use of Local Currencies for Bilateral Transactions

The Reserve Bank of India (RBI) and the Bank Indonesia (BI) signed a Memorandum of Understanding (MoU) today in Mumbai for establishing a framework to promote the use of local currencies viz., the Indian Rupee (INR) and the Indonesian Rupiah (IDR) for cross-border transactions. The MoU was signed by the Governor, Reserve Bank of India, Shri Shaktikanta Das and the Governor, Bank Indonesia, Mr. Perry Warjiyo.

2. The MoU on establishing a framework for cooperation in the area of cross-border transactions in local currencies between India and Indonesia, aims to promote the use of INR and IDR bilaterally. The MoU covers all current account transactions, permissible capital account transactions and any other economic and financial transactions as agreed upon by both countries. This framework would enable exporters and importers to invoice and pay in their respective domestic currencies, which in turn would enable the development of an INR-IDR foreign exchange market. Use of local currencies would optimise costs and settlement time for transactions.

3. This collaboration marks a key milestone in strengthening bilateral cooperation between RBI and BI. Use of local currencies in bilateral transactions will eventually contribute to promoting trade between India and Indonesia as well as deepen financial integration and strengthen the long historical, cultural and economic relations between India and Indonesia.

(Yogesh Dayal)

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Chief General Manager