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Current Affairs search results for: "Sberbank and VTB Bank of Russia open special Vostro account for overseas trade in rupee"

1. RBI allows HDFC Bank and Canara Bank to open special Vostro rupee account for trade with Russia (Nov. 22, 2022)

"Vostro account" for trade in rupees with Russia.

Reserve Bank of India (RBI) has allowed India's largest private sector bank [HDFC Bank](#) and the public sector bank [Canara Bank](#) to open a special "Vostro account" for trade in rupees with Russia.

Vostro is a type of a bank account where a bank holds an account on behalf of other banks in local currency. Normally here the other bank is a foreign bank.

In July 2022 RBI introduced a mechanism for international trade settlements in rupees, aiming to promote exports and facilitate imports.

This was done to promote trade and investment with Russia which was facing sanction from western countries over its invasion of Ukraine.

Russian energy major Gazprom has opened an account with [UCO Bank](#) while [VTB Bank](#) and SberBank have opened accounts with their own India-based branch offices.

HDFC Bank is the largest private sector bank in India with its headquarters in **Mumbai**.

Canara Bank is a Public sector bank with its headquarters in **Bengaluru**.

2. Sberbank and VTB Bank of Russia open special Vostro account for overseas trade in rupee (Oct. 24, 2022)

Sberbank and VTB Bank of Russia open Vostro account

Russia's top two banks Sberbank and VTB Bank became the **first foreign bank** to open a Special Vostro account following permission from the Reserve Bank of India to facilitate overseas trade in rupee.

The Sberbank and VTB Bank — the largest and second-largest banks of Russia — are the first foreign lenders to receive this approval after the RBI announced the guidelines on overseas trade in the rupee in July.

The special Vostro account has been opened in their only branch in India, in New Delhi. This means that the Indian buyers of Russian goods will pay in Indian Rupee and it will be deposited in the special Vostro accounts with these Russian banks .

Earlier, the third largest Russian bank Gazprombank had opened a Special Vostro Account with the Kolkata based [UCO bank](#). UCO bank was the first Indian bank to get permission from the Reserve Bank of India (RBI) to provide such a facility to settle international trade in Indian rupees.

RBI introduced the Rupee Drawing Arrangements (RDAs), under which the bank of a partner country opens a special Vostro account in Indian rupees with a correspondent bank in India. This was done to encourage international trade in Indian rupees.

Currently, a large part of bilateral trade between India and Russia is getting settled in the rupee due to sanctions imposed by the US and Europe following Moscow's attack on Ukraine.