

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3543
ANSWERED ON:16.04.2010
LENDING IN CHINESE CURRENCY
Bhoi Shri Sanjay

Will the Minister of FINANCE be pleased to state:

- (a) whether State Bank of India (SBI) has obtained permission from the Chinese Government to lend in the local currency;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the benefits likely to accrue thereby?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): Yes, Sir. Shanghai Branch of State Bank of India (SBI) has obtained permission from Chinese Banking Regulatory Commission (CBRC) for lending in local currency (Renminbi). The permission was granted by CBRC vide CBRC notification 2009 (326) dated 24.12.2009. The approval was necessary to enable its Shanghai Branch to conduct business in the local currency (Renminbi). The Branch was earlier permitted to conduct business in foreign currency only.

(c): SBI, Shanghai Branch can now provide funds in local currency to Indian companies operating in China for their operations. So far, they were dependent on local Chinese banks for the same. Further, SBI, Shanghai Branch can now handle Renminbi denominated trade bills of Indian exporters and importers. Also, corporates and NRIs will now be able to keep their Renminbi deposits with Shanghai Branch of SBI.