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Daily PIB summary**RBI Foreign Exchange Swap Facility FCNR Deposits 2026**

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WHY IN NEWS

- RBI's special USD-INR forex swap facility mobilized \$73 billion in eleven weeks, leading RBI to advance its closure date to August 31, 2026.

WHAT IS THE SPECIAL SWAP FACILITY?

- Introduced on June 8, 2026, to attract foreign currency through FCNR(B) deposits, Overseas Foreign Currency Borrowings (OFCB), and External Commercial Borrowings (ECB).
- Allows banks to swap mobilised US dollars for Indian rupees with the central bank at fixed swap windows, hedging currency risk.

PERFORMANCE AND SIGNIFICANCE

- Raised \$73 billion in under 11 weeks, exceeding the \$26 billion raised during the 2013 taper-tantrum swap window.
- FCNR(B) deposits contributed \$65.40 billion of the total mobilization.
- Strengthens India's foreign exchange reserves and external sector buffers without increasing sovereign debt.

KEY TERMS

- **FCNR(B) Deposit:** Foreign Currency Non-Resident (Bank) deposits maintained by NRIs in designated foreign currencies with fixed returns.
- **FX Swap:** An agreement to exchange currency in the spot market and reverse the transaction at a predetermined future date.

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PRELIMS FACTS

- FCNR(B) deposits are exposed to currency risk for the bank, but swap windows transfer or hedge this risk with the RBI.

MAINS DISCUSSION

- Role of deposit swap facilities in defending capital accounts during global financial volatility.

KEY DATA

- **Total Mobilisation:** \$73 Billion - Largest and fastest non-resident foreign currency mobilization in Indian financial history.
- **Regulator:** Reserve Bank of India - RBI manages foreign exchange reserves under FEMA, 1999.

[Official source](#)

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