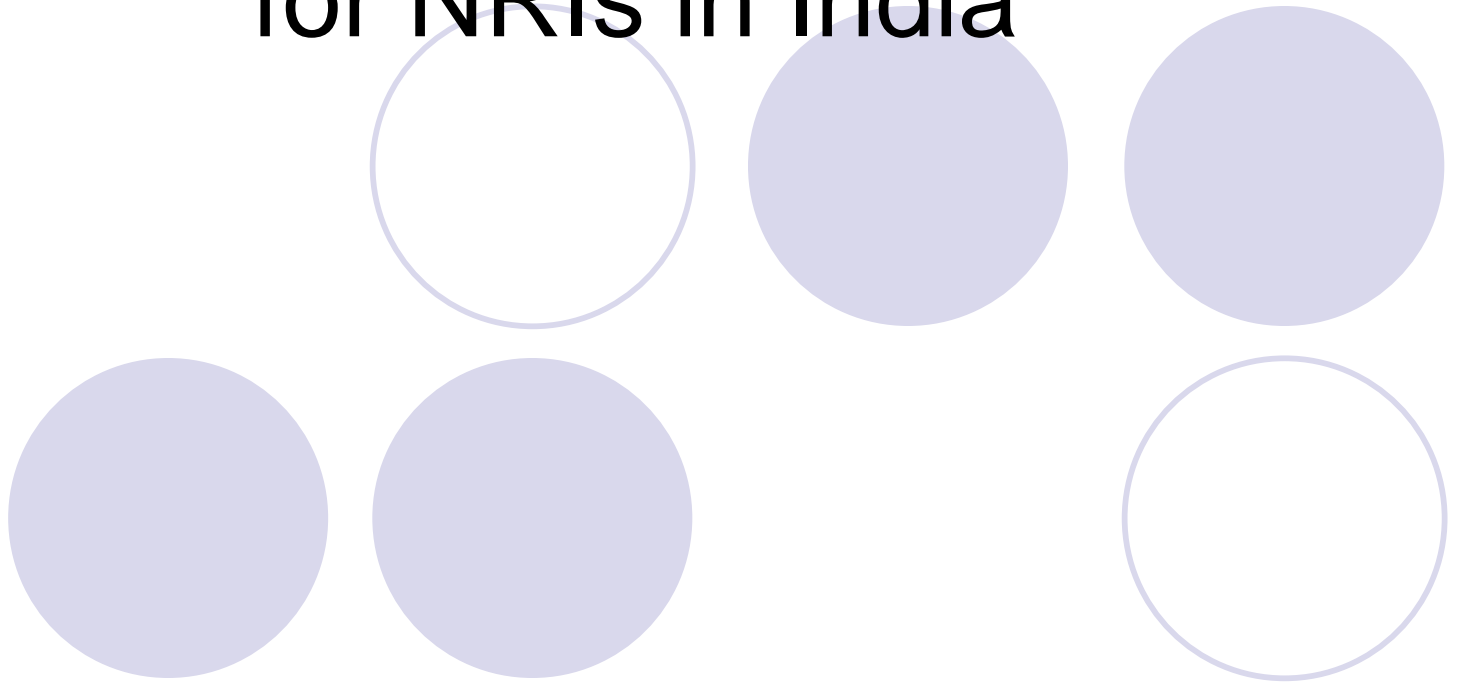
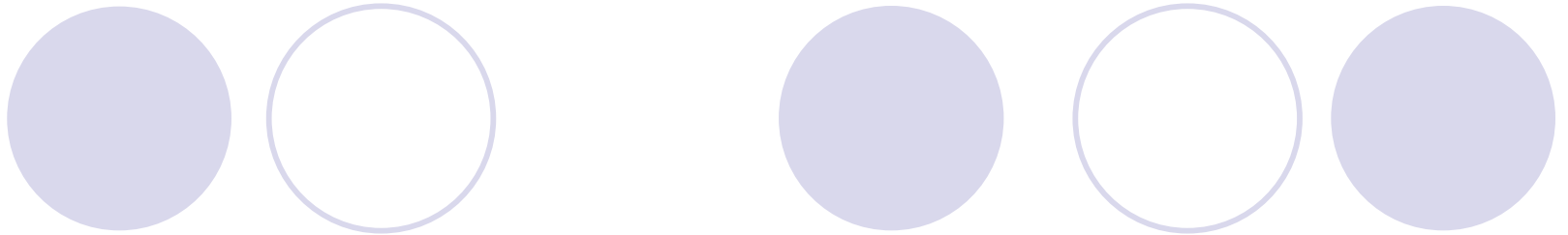


Bank Accounts for NRIs in India



AKG Advisory LLP



Non-Resident Indian (NRI)

- Non-Resident Indian (NRI) means a person resident outside India who is a Citizen of India or a person of Indian Origin.

(Regulation 2 of FEMA Notification No. 5 dated May 3, 2000)

Person of Indian Origin (PIO)

Person of Indian Origin (POI) means a citizen of any country other than Bangladesh or Pakistan who had:

- a) At any time held Indian passport or
- b) He or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act 1955 or
- c) The person is a spouse of an Indian citizen or of a person as referred in a) and b) above

Note: PIOs have been extended the same facilities for bank account maintenance in India as NRIs and for such purposes are also called as NRIs.



What are NRI Accounts

- Indian Accounts opened for NRIs.
- Can be opened only at Indian Branches.
- Only at the banks holding an Authorized Dealer's License or banks specially authorized by RBI, in this regard, are permitted to open NRI Accounts.



Types of NRI Accounts

- Rupee Accounts

1. Non-Resident (Ordinary) Account-NRO A/c
2. Non-Resident (External) Rupee Account-NRE A/c

- Foreign Currency Accounts

1. Non-Resident (Foreign Currency) Account- FCNR A/c



International Credit Card

- AD Banks have been permitted to issue International Credit cards to NRIs/PIO without prior approval of Reserve Bank.
- The transactions may be settled by inward remittance or out of balances held in the cardholder's FCNR (B)/ NRE/NRO accounts.



NRE Account

- Should be opened by the NRI himself and not by P/A holder in India.
- Maintained in Rupees.
- Any form, Savings, Current, Recurring and Term Deposits are allowed.
- Joint A/c with another NRI allowed.
- Joint A/c with Resident not allowed.



NRE Account

- Permitted Credits:

1. Proceeds of Foreign Currency Cheques.
2. Drafts, Travellers Cheques.
3. Remittance from abroad in foreign Currency.
4. Proceeds from existing NRE/FCNR A/cs.
5. Inst. On Govt. Securities and dividend of UTI and other investments provided they were made by debit to NRE/FCNR accounts.



NRE Account

- Permitted Debits:

1. Local Disbursements.
2. Remittances outside India.
3. Transfer to existing NRE/FCNR A/cs.
4. Investments in Shares/Securities/Deb. Of and Indian Company subject to applicable regulations.



Advantages of NRE A/c

- Funds Held in NRE A/c including Interest earned thereon are fully repatriable, without permission of RBI.
- Interests earned is free from Income Tax.
- Balances held are free from Wealth Tax.
- Can be operated by a P/A holder for local expenses.



NRO Account

- NRO A/c can be opened in the form of current, savings, recurring or fixed deposit account.
- The accounts may be held jointly with residents and / with non-residents.



NRO Account

- Permissible Credits:

1. Remittances from outside India in freely convertible foreign currency.
2. Foreign currency during temporary visit to India. Amount exceeding USD 5000/- should be supported by currency declaration form.
3. Transfers from rupee accounts of non-residents banks.
4. Legitimate dues like rent, dividend, pension, interest.
5. Sale proceeds of assets including immovable property acquired out of rupee/foreign currency funds or by way of legacy/inheritance.



NRO Account

- Permissible Debit:
 1. All local payments in rupees including investments.
 2. Current income like rent, dividend, pension, interest etc. in India of the Account Holder.
 3. Remittance up to USD one million, per FY (April-March), for all bonafide purposes, to the satisfaction of the AD Bank and a CA Cert. in prescribed form.



NRO Account

- RBI prior permission required for repatriation of fund outside India in forex.
- Interest earned can be remitted outside India, net of Indian taxes, without RBI permission.
- Can be operated by a P/A holder in India.



FCNR Account

- Opened in foreign currency.
- Accounts can be opened only as fixed deposits.
- Maturity period- Min- 1Yr. and Max -3Yrs.
- Principal and the interest remittable outside India.
- Interest earned on the deposits exempt from Indian Income-tax.



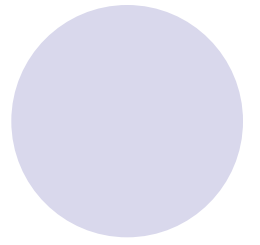
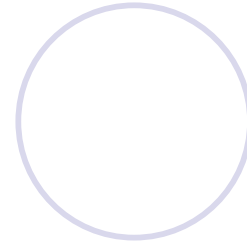
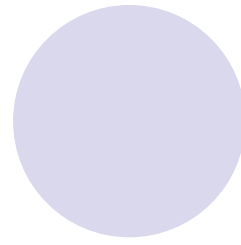
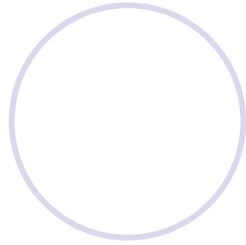
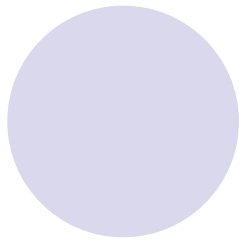
FCNR Account

FCNR A/c can be opened in the following foreign currencies:

1. Pounds Sterling
2. US Dollars
3. Japanese Yen
4. EURO
5. Deutsche Mark

Salient features of NRE, NRO & FCNR A/cs.

Accounts	NRE A/c	NRO A/c	FCNR A/c
Types	Savings, Current, Fixed deposits	Savings, Current, Fixed deposits	Fixed Deposits
Tax	Fully exempted	Deducted at Source	Fully exempted
Currency	INR	INR	USD, GBP, DEM, JPY, EUPO
A/c with Resident	Not permitted	Permitted	Not permitted
Deposit of Local Fund	Not permitted	permitted	Not permitted
International Debit Card	Allowed	Not allowed	Not Applicable
Advantage	Rupee Accounts with full repatriation benefits	A/c for Local Funds	No Exchange Risk



Thank you