

FAQ FOR NRE ACCOUNT

Q: Who is an NRI?

A: An NRI is an Indian citizen who stays outside India:

- (a) for purposes of carrying out employment or any business or vocation;
- (b) under circumstances indicating an intention to stay outside India for an uncertain duration
- (c) any Indian citizen deputed outside India for a temporary period in connection with employment.

Q: Who is a PIO?

A: A citizen of a foreign country (other than a citizen of Bangladesh or Pakistan) is a PIO
If

- (a) he/ she at any time held an Indian passport; OR
- (b) he/ she or either of his/ her parents or any of his/ her grandparents was a citizen of India or
- (c) spouse (not being a citizen of Bangladesh or Pakistan) of an Indian citizen or (a) or (b) above

Q: How can I open an NRE Account?

A: You can open an NRE account by downloading the account opening form from our Bank's website, filling it up and mailing it with relevant documents and remittance.

Q: What are the documents that I have to submit to open an NRE Account?

A: Completed application form signed and attested by your banker/Embassy of India/public notary or any person known to the bank must be accompanied with:

- (a) Copy of passport
- (b) Copy of Visa
- (c) Latest Overseas bank statement in original, latest overseas telephone/electricity bill in original as residential proof.

Q: What are the types of account in NRE account?

A: Saving, Current, Term deposits and Recurring deposits.

Q: What are the periods of Term Deposits?

A: NRE Term deposits can be maintained for 1 to 3 years.

Q: Are my NRE Account funds repatriable?

A: Yes, the NRE Account funds are freely repatriable.

Q: Are they taxable in India?

A: No, it is exempted from income tax and wealth tax.

Q: Can I remit in any currency to open my NRE account?

A: Yes, you can remit in any currency. We will convert your currency into INR and open the NRE Account. Your NRE account will be maintained in only INR.

Q: Can I have joint account holders for my NRE Account?

A: NRE account holders can have joint account only with Non Resident Indians.

Q: Can I have a nominee for my NRE account?

A: Yes, nomination facility is available for NRE account.

Q: Can I have Power of Attorney holder in India?

A: Yes.

Q: Can Power of Attorney holder in India on behalf of a NRI open/close NRE account?

A: No

Q: Can resident Power of Attorney holder operate on the NRE accounts?

A: Yes, provided such operations are restricted to withdrawals for local payments. In case where the account holder is eligible to make investments in India, the power of attorney holder may be permitted by authorized dealer branch to operate the account to facilitate such investments.

Q: Can resident Power of Attorney holders repatriate funds held in the NRE account out of India?

A: The resident Power of Attorney holders shall not be allowed to repatriate outside India funds held in the NRE account under any circumstances other than to the account holder himself nor to make payment by way of gift to a resident on behalf of the account holder or transfer funds from the account to another NRE account.

Q: Can Resident Power of Attorney holder credit proceeds of foreign currency notes, bank notes and travelers cheques to the NRE accounts?

A: No

Q: Can I get loans against my NRE Term deposits?

A: Yes, you can get up to 85 % of your Term deposits as loan. The maximum limit as is Rs.20 lakhs as per RBI guidelines. The loan cannot be used for the purpose of re-lending, carrying on agricultural/plantation activities or for investment in real estate business. Loans against NRE fixed deposits can, however, be utilized for investments in India on non-repatriable basis, in certain specified areas and for acquisition of flats/houses subject to prescribed conditions.

Q: Can I close my NRE Term deposits pre-maturely?

A: Yes, NRE Term deposits can be closed pre-maturely. If the deposit has run for a period of less than 1 year, no interest is payable and if it has run for a period more

than 1 year interest rate as on the date of deposit or on the date of closure, for the period run, whichever is less is payable. In no case rate of interest payable on such deposits is to exceed the contracted rate.

Q: What are the admissible debits and credits in my NRE accounts?

A: Debits for local payments/investments are allowed, provided such investment is covered by the regulations made, or the general/special permission granted by the Reserve Bank of India. Credits in the account, of funds emanating from a local source would be permissible only if the funds are of repatriable nature.

Q: Can proceeds of foreign currency notes/travelers cheques be credited to NRE accounts?

A: The proceeds of foreign currency notes/travelers cheques brought by the account holder from abroad during his visit to India can be credited provided they are tendered in person by the account holder. Where the amount of foreign currency notes tendered exceeds USD 5000 or its equivalent or the total amount tendered i.e. currency notes and travelers cheques are in excess of USD 10000 or its equivalent, it should have been declared to the customs on the Currency Declaration Form (CDF) at the time of arrival in India. Further in case of travelers cheques, they should be presented by the account holder himself and discharged by him in the presence of the official of the concerned bank.

Q: What is the status of NRE account on the return of the account holders to India?

A: NRE accounts should be redesignated as resident accounts or the funds held in this account may be transferred to RFC accounts (if the account holder is eligible for maintaining RFC account) at the option of the account holder immediately upon the return of the account holder to India for taking up employment or for any other purpose indicating intention to stay for an uncertain period.

Q: Does the account holder suffer any loss of interest on such re-designation of accounts?

A: No, banks have been advised to continue to pay interest at the contracted rate till the maturity of the deposit if the deposit is held for the full term even after conversion into resident rupee account.