

NRI

NEWS BULLETIN

SEPTEMBER 2023

केनरा बैंक
Canara Bank
A Government of India Undertaking

Member Syndicate



Together We Can





FROM THE DESK OF **GENERAL MANAGER**

Dear Valued Customer,

Greetings from Canara Bank. I am pleased to convey you through our September 2023 NRI News Bulletin.

Highlights of this edition are as under:

- Tax Implications for NRI
- Liberalized Remittance Scheme (LRS)

Recently Our Bank have improved our rates on **FCNR(B) deposits especially in USD @ 5.50%** for one year. We also provide you maximum Rates of interest on **NRE Retail term deposits at 7.25%**. You may reap the benefit of higher returns on your investment by remitting your foreign currency funds to India and place the deposits with us.

We request you to ensure that your recent Passport and Visa details, Tax Identification Number (TIN) are updated in your NRE account with us in order to enjoy hassle free services. Kindly update your details like Mobile number, Email ID, Present address updated in our Bank's records to stay connected with you in providing any kind of information and updates.

Our Bank is always committed in providing seamless and hassle free services to you, being a Brand Ambassador of our Bank, we expect you to share your experience with your near and dear ones to strengthen your Bank further.

I solicit your valuable suggestions to improve our services so as to cater to your needs as an NRI Customers. Please feel free to write to us at nrihub@canarabank.com.

We thank you for your continued patronage.

Sincerely,

Mahesh M Pai
General Manager
Strategy & Resources Wing



TAX IMPLICATIONS FOR NRI'S

Determining your residential status for TAX purpose



Non-Resident Individual is an individual who is not a resident of India for tax purposes. In order to determine whether an Individual is a Non-Resident or not, his residential status is required to be determined u/s 6 of the Income Tax Act, 1961 as given below:

An individual will be treated as a Resident in India in any previous year if he / she satisfies any of the following conditions:

1. If he / she is in India for a period of 182 days, or more during the previous year
or
2. If he / she is in India for a period of 60 days or more during the previous year and 365 days or more during 4 years immediately preceding the previous year.

An individual who does not satisfy both the conditions as mentioned above will be treated as Non-Resident in that previous year.

TAX INCIDENCE IN CASE OF NON-RESIDENTS

NATURE OF INCOME	STATUS
Income which is deemed to accrue or arise in India	Taxable
Income which is received in India	Taxable
Income which is deemed to be received in India	Taxable
Income accruing outside India from a business controlled from India or from a profession set up in India	Not Taxable
Income other than above (i.e., income which has no relation with India)	Not Taxable



INCOME CHARGEABLE TO TAX IN INDIA (NRI's)

Salary Income:

- Received/Receivable in India for, Services rendered in India.
- Chargeable to tax as per slab rates applicable to Individuals in that Financial Year

Income From House Property:



- Rental income from the house located in India is taxable
- Benefits of deduction of Property tax paid, 30% Standard deduction and interest on Home loan are allowed.
- Eligible to claim Deduction u/s 80 C towards repayment of Principal on Home loan.

TDS provisions activated: Tenant to deduct and pay TDS from the Rental income, 30% plus cess & surcharge, if applicable, 15CA/15CB certification needed if

the remittance amount exceeds the prescribed threshold limit.

Income From Business/Profession:

- Income earned from Business set up or controlled in India shall be taxable in India.
- Income earned from Professional services rendered in India shall be taxable in India.

Income From Capital Gains:

- Capital Assets like Shares, Units of Mutual funds, Securities, House Property, Gold etc.

INCOME FROM OTHER SOURCES:

- Interest income from Savings and Fixed Deposits accounts held in India in Indian currency.
- Dividend Income and other Interest earned from Investments made in India.

Eligible Tax Deductions for NRI

Rebate under section 80C

- Life Insurance premium payment
- Tuition fee payment - Fees paid to any institution in India for the full-time education of their children
- Principal repayment on loan for purchase of house property and Stamp duty, Registration charges on Purchase of house property
- Investment in ULIPs/ELSS - up to ₹1.50 lakh is allowed under Section 80C from gross total income for an individual.



ELIGIBLE TAX DEDUCTIONS FOR NRI

However, NRI not eligible to do few investments u/s 80C:

- ▶ Investment in PPF
- ▶ Investment in NSC
- ▶ Investment in 5-year Post office scheme
- ▶ Senior Citizen Savings Scheme
- **Section 80D:** Mediciam Insurance.
- **Section 80E:** Interest paid on Education loan.
- **Section 80G:** Donations of Charitable Trusts and Institutions.
- **Deduction u/s 80TTA:** Interest on Saving Bank accounts.

Provisions under DTAA (Double TAX Avoidance Agreement)

The Double Tax Avoidance Agreement (DTAA) is a tax treaty signed between two

or more countries to help taxpayers avoid paying double taxes on the same income. A DTAA becomes applicable in cases where an individual is a resident of one nation, but earns income in another.

DTAA is defined under Section 90 & 90A of the Income Tax Act, 1961. Under the current DTAA provisions an NRI customer can enjoy reduced rate of Tax Deducted at Source (TDS) on interest paid/credit in NRO rupee deposits in India.

Advantages of DTAA:

- The individual can claim relief at the time of filing tax return for that financial year, provided there is an applicable DTAA.
- DTAA also allow for concessional rates of tax. For instance, interest earned on NRI bank deposits attract TDS of 30%. However, under the DTAA's agreements the tax rates can be different.

GRAB THIS OPPORTUNITY

APPLY FOR INITIAL PUBLIC OFFER (IPO)

Through Canara Bank Internet banking / ai1 Mobile App



Canara Internet Banking

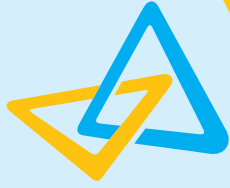
Login to Net Banking → Invest and Insure → ASBA

Canara ai1 Mobile App.

Log on to ai1 app → Invest and Insure → ASBA

ASBA - Application Supported by Blocked Amount

Disclaimer : This is an information communication from Canara Bank and should not be considered as a suggestion for investment. *T&C Apply



Liberalized Remittance Scheme (LRS)

The Liberalized Remittance Scheme (LRS) is a measure implemented by the Reserve Bank of India to make it easier for resident individuals to transfer funds outside India. The LRS scheme enables outbound remittance of up to US\$250,000 per financial year (April to March) for any permissible current or capital account transaction or a combination of both

Implementation of changes relating to Tax Collection at Source (TCS) on Liberalised Remittance Scheme

Effective from 1st October 2023, the tax rate on outbound remittances from India will rise from 5 percent to 20 percent. This increase will impact funds sent abroad for purposes such as vacations, investments, and gifts. The initial implementation date for this provision was 1st July 2023, but it was subsequently extended through a notification issued by Government of India, Ministry of Finance, Department of Revenue Central Board of Direct Taxes dated 28th June 2023.

New TCS rates w.e.f 1st October 2023:

Nature of payment	Earlier Rate Before Finance Act, 2023	New Rate w.e.f 1 st October 2023
LRS for education financed by loan	Nil up to Rs.7 lakh 0.5% above Rs.7 Lakh	Nil up to Rs.7 lakh 0.5% above Rs.7 Lakh
LRS for Medical treatment/ education (other than financed by loan)	Nil up to Rs.7 lakh 5% above Rs.7 Lakh	Nil up to Rs.7 lakh 5% above Rs.7 Lakh
LRS for other purposes	Nil up to Rs.7 lakh 5% above Rs.7 Lakh	Nil up to Rs.7 lakh 20% above Rs.7 Lakh
Purchase of Overseas tour program package	5% (without threshold)	5% till Rs.7 Lakh, 20% thereafter



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HIGHER RETURNS

On NRE deposit & FCNR(B) Deposits

₹ **NRE DEPOSIT**
Upto
7.25%*

\$ **FCNR(B) DEPOSIT**
Upto
5.50%*



*You Deserve
The Best*

*T&C Apply



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080-22258312 nrihub@canarabank.com

Dedicated NRI Help Desk (if calling from outside India):

080-22064232 (24x7)

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DETAILED
RATES



www.canarabank.com

1Bank Number **1800 1030**





NRE term Deposit (w.e.f. 12.08.2023):

SLABS	PERIOD OF DEPOSIT	RATE OF INTEREST*(% P.A.)	
		Less than ₹ 2 Crore	₹ 2 Crore to less than ₹10 Crore
1	1 year only	6.90	6.15
2	444 Days	7.25	NA
3	Above 1 year to less than 2 years	6.90	6.25
4	2 years & above to less than 3 years	6.85	6.25
5	3 years & above to less than 5 years	6.80	6.25
6	5 years & above to 10 years	6.70	3.65

FCNR [B] Deposits (Less than USD 1 million)

(or its equivalent in other currencies) with effect from 12.08.2023

PERIOD OF DEPOSIT	CURRENCY OF DEPOSITS				
	USD	GBP	EUR	CAD	AUD
1 year & above but less than 2 years	5.50	4.75	2.50	4.50	3.75
2 years & above but less than 3 years	4.50	3.50	2.00	4.25	3.50
3 years & above but less than 4 years	4.00	3.00	1.50	3.85	3.00
4 years & above but less than 5 years	4.00	3.00	1.50	3.50	3.00
5 years only	4.00	3.00	1.50	3.50	3.00

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NRO term Deposit

(w.e.f. 12.08.2023):

SLABS	PERIOD OF DEPOSIT	RATE OF INTEREST(%P.A.)	
		Callable Deposits	
		Less than ₹ 2 Crore	₹ 2 Crore to less than ₹10 Crore
		General/Sr. Citizen	
1	7 days to 45 days	4.00	2.90
2	46 days to 90 days	5.25	3.10
3	91 days to 179 days	5.50	3.35
4	180 days to less than 269 days	6.25	3.35
5	270 days to less than 1 year	6.50	5.75
6	1 year only	6.90	6.00
7	444 Days	7.25	NA
8	Above 1 year to less than 2 years	6.90	6.00
9	2 years & above to less than 3 years	6.85	6.00
10	3 years & above to less than 5 years	6.80	6.00
11	5 years & above to 10 years	6.70	3.40

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IVR Number for NRI for
ATM green pin generation

080-22064232





Head Office: 112, J C Road, Bengaluru - 560 002



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