



NRI

NEWS BULLETIN

JANUARY 2024



wish you
Happy New Year
2024



FROM THE DESK OF **GENERAL MANAGER**

Dear Valued Customer,

I am pleased to connect you through our January 2024 NRI Bulletin.

At the outset I Wish you and your family a very **Happy New Year 2024** on behalf of our organization. May coming year brings more good news and success in your life.

Bank is pleased to inform that NRE Non-Callable Term Deposits is made available for our Customers, at present the maximum Rates of interest on NRE Non-Callable deposit for **444 days is 7.40% (Annualized Interest Yield is 7.61%)** for deposits above Rupees One Crore to less than Rupees Two Crore.

Get maximum benefit of higher rate of interest for FCNR(B) deposits in USD with **5.70%(annualized Interest yield at the end of the period is 6.03%)**. The above mentioned rates will benefit you in earning higher tax free return with repatriability nature of your investment. Kindly remit funds in foreign currency and place the deposits with us.

We value your association with us and are committed to deliver best services to you. In this regard 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 in our Bank's records to stay connected with you in providing any kind of information, updates, offers etc.

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 earnestly request you to continue your patronage with Canara Bank and make use of our NRE Products and services. We solicit your valuable suggestions to improve our service so as to cater to your needs as an NRI. Please feel free to write to us at nrihub@canarabank.com. We are happy in assisting you for your financial endeavours.

We thank you for your continued patronage.

Sincerely,

Mahesh M Pai

General Manager

Strategy & Resources Wing



Q1.	Who is an NRI?
Q2.	Who is a PIO?
Q3.	What are the major accounts that can be opened in India by a non-resident?
Q4.	Can a Bangladeshi/ Pakistani national or an entity owned/ controlled from Bangladesh/ Pakistan have an account in India?
Q5.	What are the accounts that a tourist visiting India can open?
Q6.	What is a SNRR account? How is it different from a NRO account?
Q7.	What are the deposits that foreign Diplomatic missions/personnel and their family members in India can hold?
Q8.	Can persons resident in Nepal and Bhutan have accounts in India?
Q9.	Can multilateral organization have deposits in India?
Q10.	Can an Indian company accept deposits from non-residents in compliance with section 160 of the Companies Act, 2013?
Q11.	Can a Foreign Portfolio Investor or a Foreign Venture Capital Investor open a foreign currency account in India?
Q12.	Who can open an Escrow Account in India and for what purpose?

Q1. Who is an NRI?

Answer: A 'Non-resident Indian' (NRI) is a person resident outside India who is a citizen of India.

Q2. Who is a PIO?

Answer: A 'Person of Indian Origin (PIO)' is a person resident outside India who is a citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions:

a. Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or

- b. Who belonged to a territory that became part of India after the 15th day of August, 1947; or
- c. Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or
- d. Who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

A PIO will include an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955. Such an OCI Card holder should also be a person resident outside India.



Q3. What are the major accounts that can be opened in India by a non-resident?

Particulars	Non-Resident (External) Rupee Account Scheme [NRE Account]	Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR (B) Account]	Non-Resident Ordinary Rupee Account Scheme [NRO Account]
(1)	(2)	(3)	(4)
Who can open an account	NRIs and PIOs Individual/entities of Pakistan and Bangladesh shall require prior approval of the Reserve Bank of India		Any person resident outside India for putting through bonafide transactions in rupees. Individuals/ entities of Pakistan nationality/ origin and entities of Bangladesh origin require the prior approval of the Reserve Bank of India.
Joint account	May be held jointly in the names of two or more NRIs/ PIOs.		May be held jointly in the names of two or more NRIs/ PIOs.
Currency	Indian Rupees	Any permitted currency i.e. a foreign currency which is freely convertible	Indian Rupees
Type of Account	Savings, Current, Recurring, Fixed Deposit	Term Deposit only	Savings, Current, Recurring, Fixed Deposit
Period for fixed deposits	1 year to 10 year	1 year to 5 year	7 days to 10 year
Permissible Credits	Credits permitted to this account are inward remittance from outside India, interest accruing on the account, interest on investment, transfer from other NRE/ FCNR(B) accounts, maturity proceeds of investments (if such investments were made from this account or through inward remittance). Care: Only those credits which have not lost repatriable character		Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account. Rupee gift/ loan made by a resident to a NRI/ PIO relative within the limits prescribed under the Liberalized Remittance Scheme may be credited to the latter's NRO account.
Permissible Debits	Permissible debits are local disbursements, remittance outside India, transfer to other NRE/ FCNR(B) accounts and investments in India.		The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad. Apart from these, balances in the NRO account cannot be repatriated abroad except by NRIs and PIOs up to USD 1 million, subject to conditions specified in Foreign Exchange Management (Remittance of Assets) Regulations, 2016. Funds can be transferred to NRE account within this USD 1 Million facility.



Repatriability	Repatriable	Not repatriable except for all current income.
Taxability	Income earned in the accounts is exempt from income tax and balances exempt from wealth tax	Taxable
Loans in India	AD can sanction loans in India to the account holder/ third parties without any limit, subject to usual margin requirements. These loans cannot be repatriated outside India and can be used in India only for the purposes specified in the regulations.	Loans against the deposits can be granted in India to the account holder or third party subject to usual norms and margin requirement. The loan amount cannot be used for relending, carrying on agricultural/ plantation activities or investment in real estate.
Loans outside India	Authorised Dealers may allow their branches/ correspondents outside India to grant loans to or in favour of non-resident depositor or to third parties at the request of depositor for bona fide purpose against the security of funds held in the NRE/ FCNR (B) accounts in India, subject to usual margin requirements.	Not permitted
Rate of Interest	Kindly visit www.canarabank.com for updated rates	
Operations by Power of Attorney in favour of a resident	Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments or remittance to the account holder himself through normal banking channels.	Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments in rupees, remittance of current income to the account holder outside India or remittance to the account holder himself through normal banking channels. While making remittances, the limits and conditions of repatriability will apply.

REPRESENTATIVE OFFICE SHARJAH

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<p>Change in residential status from Non-resident to resident</p>	<p>NRE accounts should be designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts, at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or on change in the residential status.</p>	<p>On change in residential status, FCNR (B) deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by the account holder.</p> <p>Authorised dealers should convert the FCNR(B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), at the option of the account holder.</p>	<p>NRO accounts may be designated as resident accounts on the return of the account holder to India for any purpose indicating his intention to stay in India for an uncertain period.</p> <p>Likewise, when a resident Indian becomes a person resident outside India, his existing resident account should be designated as NRO account.</p>
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Q4. Can a Bangladeshi/ Pakistani national or an entity owned/ controlled from Bangladesh/ Pakistan have an account in India?

Answer: Opening of accounts by individuals/ entities of Pakistan nationality/ ownership and entities of Bangladesh ownership requires prior approval of the Reserve Bank.

However, individuals of Bangladesh nationality can open an NRO account subject to the individual(s) holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned.

Q5. What are the accounts that a tourist visiting India can open?

Answer: An NRO (current/ savings) account can be opened by a foreign national of non-Indian origin visiting India, with funds remitted from outside India through banking channel or by sale of foreign exchange brought by him to India. The balance in the NRO account may be paid to the account holder at the time of his departure from India provided the account has been maintained for a period not exceeding six months and the account has not been credited with any local funds, other than interest accrued thereon.



Q6. What is an SNRR account? How is it different from a NRO account?

Answer: Any person resident outside India, having a business interest in India, can open a Special Non-Resident Rupee Account (SNRR account) with an authorized dealer for the purpose of

putting through bona fide transactions in rupees which are in conformity with the provisions of the Act, rules and regulations made thereunder.

The differences between SNRR account and NRO account are:

Feature	SNRR Account	NRO Account
Who can open	Any person resident outside India, having a business interest in India for putting through bona fide transactions in rupees. Opening of SNRR accounts by Pakistan and Bangladesh nationals and entities incorporated in Pakistan and Bangladesh requires prior approval of Reserve Bank.	Any person resident outside India for putting through bonafide transactions in rupees. Individuals/ entities of Pakistan nationality/ origin and entities of Bangladesh origin require the prior approval of the Reserve Bank of India.
Type of Account	Non-interest bearing	Current, Savings, Recurring or Fixed Deposit; Rate of interest – as per guidelines issued by Department of Regulation.
Permissible Transactions	Debits and credits specific/ incidental to the business proposed to be done by the account holder	Credits: Inward remittances, legitimate dues in India, transfers from other NRO accounts and any amount received in accordance with the Rules/Regulations/Directions under FEMA, 1999. Debits: Local payments, transfer to other NRO accounts, remittance of current income, settlement of charges on International Credit Cards.
Tenure	Concurrent to the tenure of the contract / period of operation / the business of the account holder and in no case should exceed seven years, other than with approval of the Reserve Bank. Restriction of seven years is not applicable to SNRR accounts opened for the purposes stated at sub. paragraphs i to v of paragraph 1 of Schedule 4 of FEMA 5(R).	No such restrictions on tenure.
Repatriability	Repatriable	Not repatriable except for current income; and remittances by NRIs/ PIOs up to USD 1 million per financial year in accordance with the provisions of FEMA 13(R).



Q 7. What are the deposits that foreign Diplomatic missions/ personnel and their family members in India can hold?

Answer: The following accounts are permitted:

- a. Foreign diplomatic missions and diplomatic personnel and their family members in India may open rupee deposits with an AD Bank.
- b. Diplomatic missions and diplomatic personnel can open special rupee accounts namely Diplomatic Bond Stores Account to facilitate purchases of bonded stocks from firms and companies who have been granted special facilities by customs authorities for import of stores into bond, subject to conditions. The funds in the account may be repatriated outside India without the approval of Reserve Bank.
- c. Diplomatic missions, diplomatic personnel and non-diplomatic staff, who are the nationals of the concerned foreign countries and hold official passport of foreign embassies in India can open foreign currency accounts in India. The account may be held in the form of current or term deposit account, and in the case of diplomatic personnel and non-diplomatic staff, may also be held in the form of savings account. Such accounts can be credited by way of inward remittances and transfers (which are collected in India as visa fees) from the rupee account of the diplomatic mission in India. Funds held in such account if converted in rupees shall not be converted back into foreign currency. The funds in the account may be repatriated outside India without the approval of Reserve Bank.

Q8. Can person's resident in Nepal and Bhutan have accounts in India?

Answer: Persons resident in Nepal and Bhutan can open Indian rupee accounts with an authorized dealer in India.

Q9. Can multilateral organization have deposits in India?

Answer: Any multilateral organization, of which India is a member nation, or its subsidiary/ affiliate bodies and officials in India can open deposits with an authorised dealer in India.

Q10. Can an Indian company accept deposits from non-residents in compliance with section 160 of the Companies Act, 2013?

Answer: Yes, such acceptance of deposit and refunds, if required, will be covered under current account transactions and can be made freely without any restriction from FEMA perspective.

Q11. Can a Foreign Portfolio Investor or a Foreign Venture Capital Investor open a foreign currency account in India?

Answer: Yes, a Foreign Portfolio Investor or a Foreign Venture Capital Investor, both registered with the Securities and Exchange Board of India (SEBI) under the relevant SEBI regulations can open and maintain a non-interest bearing foreign currency account for the purpose of making investment in accordance with Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.





Q12. Who can open an Escrow Account in India and for what purpose?

Answer: Resident and Non-resident acquirers can open Escrow Account in INR with an AD bank in India as the Escrow Agent, for acquisition/transfer of capital instruments/convertible notes in accordance with Foreign Exchange

Management (Non-Debt Instrument) Rules, 2019 as amended from time to time and subject to the terms and conditions specified under Schedule 5 of Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time.



Canara Bank
A Government of India Undertaking
Together We Can

HIGHER RETURNS
On FCNR(B) Deposits

FCNR(B) DEPOSIT
RATE OF INTEREST
5.70%
ANNUALISED INTEREST YIELD
6.03%

USD 100000/- and Above

Invest with Canara Bank
We Care for your Best Interest

Dedicated NRI Help Desk (if calling from outside India):
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SCAN FOR DETAILED RATES

1Bank Number **1800 1030** 24x7



REVISION OF INTEREST RATES



FCNR [B] DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 12.12.2023

PERIOD OF DEPOSIT	CURRENCY OF DEPOSIT					
	USD < 100000	USD >= 100000	GBP	EURO	CAD	AUD
1 year & above but less than 2 years	5.50	5.70	5.00	2.50	4.50	3.60
2 years & above but less than 3 years	4.30	4.30	3.00	2.00	4.00	3.50
3 years & above but less than 4 years	4.00	4.00	2.50	1.50	3.85	3.00
4 years & above but less than 5 years	4.00	4.00	2.50	1.50	3.50	3.00
5 years only	4.00	4.00	2.50	1.50	3.50	3.00

RFC DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 12.12.2023

PERIOD OF DEPOSIT	CURRENCY OF DEPOSIT					
	USD < 100000	USD >= 100000	GBP	EURO	CAD	AUD
SAVINGS BANK	0.10	0.10	0.10	NIL	NIL	NIL
1 week & above but less than 1 month	0.10	0.10	0.10	0.05	0.10	0.10
1 month & above but less than 3 months	0.10	0.10	0.10	0.05	0.10	0.10
3 months & above but less than 6 months	0.10	0.10	0.10	0.05	0.10	0.10
6 months & above but less than 1 year	0.10	0.10	0.10	0.05	0.10	0.10
1 year & above but less than 2 years	5.50	5.70	5.00	2.50	4.50	4.50
2 years & above but less than 3 years	4.30	4.30	3.00	2.00	4.00	4.00
3 years only	4.00	4.00	2.50	1.50	3.85	3.85

T&C Apply



DOMESTIC/NRO TERM DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 16.11.2023

SLABS	PERIOD OF DEPOSIT	RATE OF INTEREST (% P.A.)			
		Callable Deposits		Non-Callable Deposits	
		Less than ₹2 Crore		Above ₹1 Crore to less than ₹2 Crore	
		General Public	Sr. Citizen	General Public	Sr. Citizen
1**	7 Days to 45 Days	4.00	4.00	NA	NA
2	46 Days to 90 Days	5.25	5.25	5.35	5.35
3	91 Days to 179 Days	5.50	5.50	5.60	5.60
4	180 Days to 269 Days	6.15	6.65	6.25	6.75
5	270 Days to less than 1 Year	6.25	6.75	6.35	6.85
6	1 Year Only	6.85	7.35	7.00	7.50
7*	444 Days	7.25	7.75	7.40	7.90
8	Above 1 Year to less than 2 Years	6.85	7.35	7.00	7.50
9	2 Years & above to less than 3 Years	6.85	7.35	7.00	7.50
10	3 Years & above to less than 5 Years	6.80	7.30	NA	NA
11	5 Years & above to 10 Years	6.70	7.20	NA	NA

** Rates are applicable only for single deposit of Rs.5 Lakh & above. For Single deposit of below Rs.5 Lakh, the Minimum tenor of deposit is 15 Days.

Senior citizen's benefits are not available for NRO deposits.

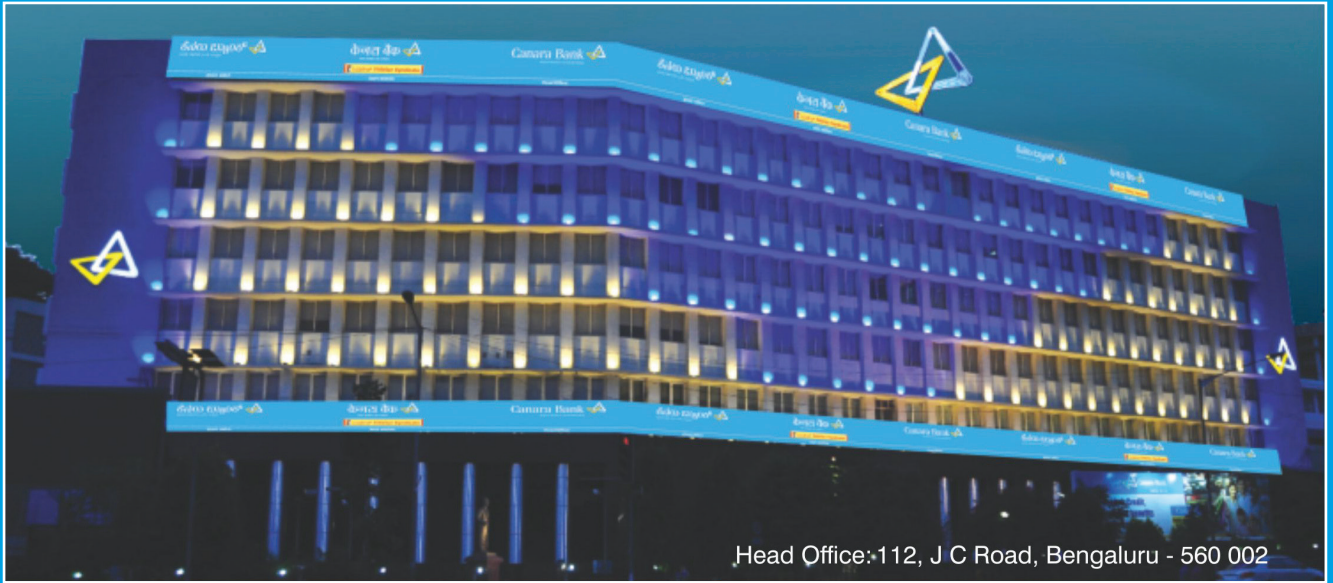
*Special Retail Term Deposit Scheme of 444 days for Domestic/ NRO/NRE Retail Term deposits of below Rs.2 Crore without automatic renewal facility for both Callable and Non-callable deposits.

NRE RETAIL TERM DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 16.11.2023

Period of Deposit	Rate of interest (%) per annum			
	CALLABLE DEPOSITS		NON-CALLABLE DEPOSITS	
	Less than Rs. 2 Crore	Rs. 2 Crore to less than Rs.10 Crore	Above Rs.1 Crore to less than Rs.2 Crore	Rs. 2 Crore to less than Rs.10 Crore
	General Public	General Public	General Public	General Public
1 year only.	6.85	7.40	7.00	7.45
444 Days	7.25	NA	7.40	NA
Above 1 year to less than 2 years.	6.85	6.80	7.00	6.85
2 years & above to less than 3 years.	6.85	6.25	7.00	6.30
3 years & above to less than 5 years.	6.80	5.00	NA	5.05
5 years & above to 10 years.	6.70	5.00	NA	5.05

T&C Apply



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