

Investment options for NRIs in India Sample



Types of NRI Bank Accounts

Non resident Indians are not allowed to open a saving bank account in India.

Sample

Therefore, they have to open certain different types of accounts in India for various purposes, including investments.

Basis	NRE Account	NRO Account	FCNR Account
Currency	Indian Rupee	Indian Rupee	Foreign Currencies
Primary purpose	Foreign earned income can be deposited here	For Indian earned income	Foreign earned income can be deposited here
Types of Accounts	Savings A/c and Fixed Deposit A/c	Savings A/c and Fixed Deposit A/c	Fixed Deposit A/c only.
Repatriation	Full repatriable	Interest earned is fully repatriable. The capital and can be repatriated to the home country fiscal year.	Fully repatriable
Taxation	The entire balance & interest earned is exempt from tax	Interest portion is taxable as per the income tax slab.	The entire balance & interest earned is exempt from tax
Foreign exchange risk	Present	Not present	Not Present
Joint account	Can be opened with another NRI only.	Can be opened with another NRI or resident Indian.	Can be opened with another NRI only.

Investment options & NRI

Sample

Type of Investment	Can NRIs Invest
Bank Fixed Deposits	Yes
Mutual Funds	Yes
Direct Equity	Yes
Insurance	Yes
Government Bonds	Yes
Government Securities	Yes
National Pension System	Yes
Public Provident Fund	No
Post Office Schemes	No
PMS	Yes

NRI Taxation in Mutual Funds

Capital Gains	
Equity Schemes	
Short Term Capital Gains	10%
Long Term Capital Gains	15%
Other than Equity Schemes	
Short Term Capital Gains	As Per Investor's Tax Slab
Long Term Capital Gains	Listed- 20% With Indexation Unlisted- 10% Without Indexation
Tax Deducted at Source	
Equity Schemes	
Short Term Capital Gains	10%
Long Term Capital Gains	15%
Other than Equity Schemes	
Short Term Capital Gains	As Per Investors' Tax Slab
Long Term Capital Gains	Listed- 20% With Indexation Unlisted- 10% Without Indexation

NRI Taxation in Mutual Funds

Dividends
Income Tax
As Per Investors' Tax Slab
Withholding Tax
20%

Sample

* Surcharge and Cess as applicable on above tax rates.

Thank You Sample