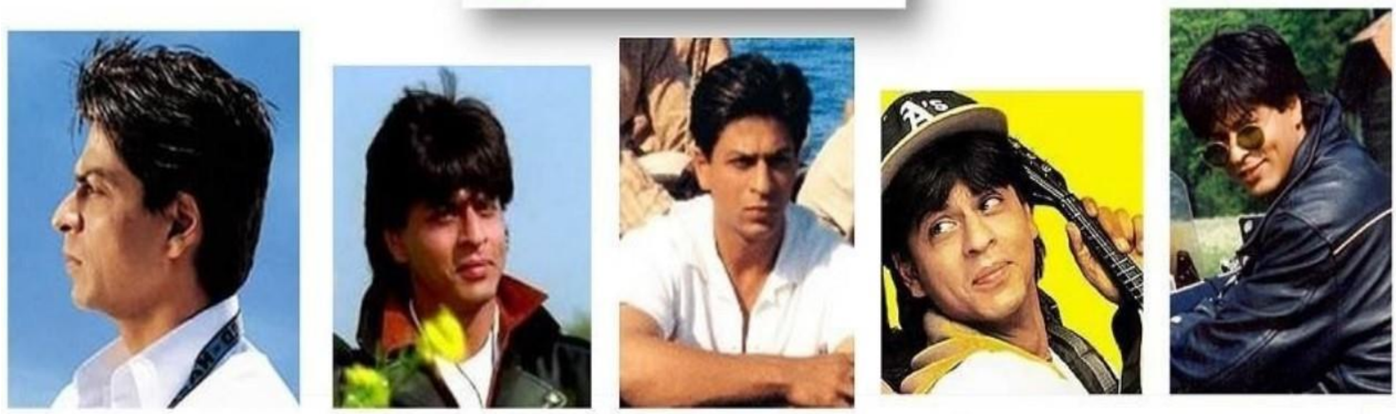

GOING TO BE NRI... WHAT NEXT?

This e-book is a creative work of thewealthwisher.com team. In case you have a query or want to discuss any aspect of this ebook – Please email at madhupam@thewealthwisher.com.

NRI Checklist

A Comprehensive Guide & Checklist to do When YOU are becoming an NRI

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Introduction

If you are planning to move out of India or you are working in a company and got an opportunity to work out of India than there are few things you need to plan before shifting abroad. This ebook is comprehensive check-list of all the preparations you should make. Financial & Personal.

No need to read multiple articles or surf websites.

We offer you a whole, detailed guide & actionable tips.

And, in case of any doubts you are free to contact the author Madhupam Krishna through his email id madhupam@thewealthwisher.com.

Lot of NRI's post their queries & issues on our website. We thought of collating the queries and provide a detailed structure for the readers. This list will surely save you from lots of worries and paperwork.

If you are an NRI or in the process of becoming one, you may have a question regarding:

This e-book is also a compilation of **“all the things required”** before & during the time you are an NRI.

Let’s first check the financial steps that you need to take care before becoming an NRI.

Each of these aspects of NRI are discussed in the upcoming pages.

NRI Accounts

Convert your saving bank account into NRO account

As per the RBI guideline, it is mandatory for every NRI to convert their savings bank account to NRO account when they are going outside the country.

It's same as an ordinary savings account where the status of the Primary Account holder changes to NRO. So it is only banks obligation to record or categorize you as an NRI. This is done as banks need to provide all the information to RBI related to transactions done by the primary account holder.

NRI can deposit all the Indian rupee earnings such as interest on Fixed Deposits, Rent received & Dividend earnings.

This account is also useful paying all the payments & EMIs and can be used to make investment also.

Repatriation benefit is also available through this account. One can deposit funds from abroad in Forex also. Similarly, if an individual wish to transfer money like rent, interests, and dividends earned in India to a foreign account (NRE), he can do so. Need to remember that permittable amount as per RBI guideline is US$ 1 million per annum (Calendar Year) that an NRI can transfer to his foreign (NRE) account.

NRI is required to present a certificate (known as 15 CA/CB) showing that tax is already paid on the amount that is repatriated. This certificate is issued by practicing chartered accountants & Income tax department jointly. On submission of certificates, the bank allows the repatriation process.

https://www.thewealthwisher.com/2017/09/23/nri-account-repatriable-tds/

Interest benefit is also available on NRO account which is like the normal savings account between 4 to 6%. It is quite easy to convert your savings account to NRO account. All you need to provide your recent Photograph and Copy of Passport & VISA.

Note:

1) Convert SB A/Cs to NRO after moving and not before.
2) You may continue to be a Joint holder in your spouse (non-NRI) or any other non-NRI relative's a/c.
3) If you have multiple savings accounts you need to convert all. Better to convert one or two and close others.

4) Most banks convert the existing account to NRO but some may close the existing SB A/c and open a new one. If you have an EMI going form a closed a/c or you have given cheques, take a note a make necessary changes.
5) FDs or fixed deposit also need to be converted to NRO FDs. Check the procedure of converting as bank should not pre-mature close the FD and convert. They should convert the existing FD. Closure and converting will attract a penalty or loss of rates.
6) The TDS rate will increase to 30.9% from 10%.
7) You can use NRO account to get capital receipts like amount from the sale of property or investments.

<u>Open NRE (Non- Resident External) Account</u>

An NRE Account is that account in which an NRI can deposit his/her foreign money into India. It's also useful when you wish to take the repatriation benefit. Following are the benefits of NRE Account:

- An NRI can open NRE Account in three forms i.e. Saving Account, Current Account & Fixed Deposit Account.
- The amount in NRE account is fully repatriable in any currency option.
- Interest earned on NRE Account whether Saving Account or Fixed Deposit Account is totally tax-free. Usually, an NRE gets interest on NRE Account between 3 to 4% and Interest on Fixed Deposit varies between 6.50 to 7% (March 2018 rates). It varies as per tenure of deposit.
- An NRE can only deposit foreign fund into NRE Account & that can easily be transferred to his foreign accounts. You can also send back the money to your resident country deposit account (NRO).
- You are not allowed to receive local earning like Rent, Interest & Dividend Income into NRE account but you can make local rupee payments through this account.
- Fund available in NRE Account can be used for Investment purpose & you can enjoy the repatriation benefit once you sold those.
- It's against the law in India to deposit money into Non – NRE Account. You had to have an NRE Account. It's advisable to take a transfer into your NRE Account & than you can transfer to any Saving or Current Account in India.
- It's also to be noticed that an NRI can open NRE, NRO or FCNR Account with multiple banks or with the same bank also. An NRI is free to keep all account in the same bank or in a different bank also. For example, you can open your NRE Account in Citi Bank & NRO in ICICI Bank & FCNR Account in Yes Bank also.

Note:

1) NRE Account is tax-free in India, but it does not mean it is free all over the world. Your country of residence will decide the tax applicability. For Eg, in the USA, NRE account interest is taxable. So a US NRI has to pay applicable tax on it.
2) If your earning is deposited by your employer in a foreign bank, first transfer it to your NRE account. If you want to transfer some money to you relative in India for consumption, you may transfer amount to NRO from the NRE account.
3) Prefer NRE account for Investments.
4) If you want to operate or manage NRE account in India while you are away you may make a simple POW (specific power of attorney) in favor of any of your relative or friend.

5) Also Rupee rates vis-à-vis a foreign currency change based on demand & supply. SO NRE account carries currency conversion risk.

FCNR (Foreign Currency Non – External) Account – It's same as an NRE Account but your fund will be in foreign currency only. Also, these are Fixed Deposit Account in a foreign currency.

NRIs can opt for an FCNR account if they want to park their idle funds (Forex) safely in India. It is safe because there is no exchange rate risk involved. It does not attract tax liabilities under the Income Tax Act 1961. However, one must remember that NRO account holders get a higher interest. Also, this account hinders financial flexibility since it is a fixed deposit account.

Insurance

Term Insurance Plan

Three cases arise in insurance.

First, you already have an insurance and do not wish to buy more. In this case, it is mandatory to inform insurance company about change of status otherwise term insurance is not fully valid for first 2 years & it's treated as miscommunication.

Second, you are not insured but want to buy an insurance policy. It is best you buy a term plan while in India. This is because of 2 reasons:

- If the policy needs a medical examination, it is difficult to arrange in a far country so this will limit your choice.
- Many insurers limit the benefits or riders for NRIs. So you will not get entire benefits.

Third, you have insurance but want to buy more due to requirement. If you have no plan to come back, check rates of policy issued by your country of residence. If you want to buy it from Indian insurance company, you may have to come back for medicals.

https://www.thewealthwisher.com/2012/07/20/home-loan-term-insurance/

There are two ways to get medical examinations done. One is, you come to India and your insurer will bear the medical expenses, and the second option is to do it overseas and send the report to the insurance company in India. In the second case, you would have to bear the cost, unless you are buying a policy targeted specifically for non-residents, in which case, the insurer would have tied up with an overseas medical facility for the purpose.

NOTES:-

In case the term policy (issued in India) lapses, renewal is not allowed online by most of the insurance company. So make timely payments.

Repatriation process is also different in case of insurance policy. The repatriation benefit depends on the account from which you made the payments of premium, in which currency it is made & part of the premium payment. Claim/maturity will be sent into that account only from which premium is paid. Repatriation is allowed to the extent of premiums paid from NRE/Foreign account.

You can run insurance policy in both foreign currency as well in Indian currency.

As per the RBI norms, repatriation benefit is only available when the premium is paid from NRE account (in foreign currency). Repatriation benefit will not be available when the premium is paid from NRO account in Indian rupees.

<u>Health Insurance Plan</u>

Now the question is whether to take a health insurance or not? If you have no plan to coming back to India in next 3-4 years than the answer is NO, you should not go for it. It's better to take Insurance in that country only where you planning to shift.

Otherwise, it depends on which age you are planning to come back & any insurer is providing cover at that age. The settlement process is different in case of Health Insurance.

If you are already having an Indian policy, you need to check whether it is useful to you in the country of residence as geographically the policy may not be claimed and you may be paying for nothing.

It depends on the insurance company guideline which hospital to be covered or not. Also, if you are in the older age group than insurer will charge a high premium.

Notes:

1) NRIs is eligible to purchase health insurance.
2) Not many Indian Insurers provide such policies. But few who do, have strict norms of underwriting & limited covers.
3) Claim repatriation is like life insurance. Can be repatriated to extent of premium payment made from earnings outside.

PPF Account

There are lot of questions on PPF. Especially because the government changes it now and then. But we will give you exact pointers that you know about PPF.

- Existing NRI cannot open a fresh PPF account.
- If you have an existing PPF account you may continue till maturity but cannot extend it.
- You can make the payment from both NRE or NRO account to invest in PPF account.

You can have your PPF account opened before acquiring NRI status in any major bank like ICICI Bank, HDFC Bank, SBI or Post Office. Prefer services of the institution which gives you online access.

Earlier in Oct 2017, the government had issued a notification that NRIs PPF will be closed from the day they become NRI and form that time till withdrawal only bank saving account rate will be payable. In March 2018 they withdrew this circular.

So your PPF is OK to continue.

You should consider investing in PPF form liquidity point of view. PPF is 15 years product. NRI FDs are also tax-free and almost have same interest rates. One can look at these to invest in fixed income. But if you are looking for investing for retirement, PPF is ideal.

https://www.thewealthwisher.com/2017/11/01/nris-ppf-nsc-taxfree-amendments-changes-2017/

Create a Power of Attorney

An NRI who is staying outside India, his/her primary concern is taking care of the financial need of his/her family. For this, he may need to be present in India for certain documentations like cash withdrawal or property transactions or investments in MFs. But traveling frequently is not practical.

The best possible solution to this concern is by creating a Power of Attorney. In Power of Attorney, you authorize a person who will perform all the transaction on behalf of you whose name Power of Attorney is issued.

- A Power of Attorney is a legal document which allows a person to give a legal authority to another person to perform all the financial transactions & to take all the financial decision on behalf of an NRI. It makes all the financial transaction quite simple in the absence of actual account holder.
- Power of Attorney allows that person to operate your savings account, buy or sell shares, rent your property, sign tax returns, and issue cheques from your account.
- The authorized per can easily withdraw or deposit money from NRI's bank account, issue, endorse or accept cheques to/from any third person of any amount.

It's to be noted that Power of Attorney holder only can operate on behalf of an NRI in existing bank accounts. He/She cannot open any new account.

There are mainly two types of Power of Attorney General Power of Attorney & Specific Power of Attorney.

General Power of Attorney: It gives legal rights to an authorized person to perform a wide range of transactions likewise banking transaction, mutual fund transactions, trade in stock market & real estate transaction.

Specific Power of Attorney: The Specific Power of Attorney is specific in nature as its name suggests. An NRI can issue a number of Power of Attorneys to perform each work in the name of authorized persons. Such as power to trade in stocks, issue a cheque or power to rent a property.

Power of Attorney is an important instrument to perform banking transaction. Many banks have a set format which is known as a Mandate Form. It's issued at the time of account opening only. It can be issued in the name of any resident person who will perform all the transaction on behalf of NRI.

Having said that a Power of Attorney is an important legal document which gives all the right to an authorized person to make all the transactions on behalf of you. So, issue it in the favor of that person whom you trust most.

Equity Trading & Demat: Close your Resident Demat Account & open new NRE Demat Account

NRI's have many limitations when it comes to investment in Indian Stock Market. RBI has an extensive list of do and don'ts after you become NRI for investment in the Indian market. As per the RBI guideline, an NRI can't hold the more than 10% of paid-up capital of an Indian company.

It's to be noted that an NRI can invest, trade in stocks or shares via secondary market only through a special account called as PIS or PINS Account (Portfolio Investment Services).

NRI's are not allowed to speculate Indian Stock Market. They cannot trade in the intraday market. NRI's only can take delivery of shares purchased & give delivery of share sold.

Furthermore, an NRI can trade in Future & Options segment also (F&O) but he cannot trade in Currency Derivatives & as well as in commodities market also.

It's also to be noted that an NRI can invest in Initial Public Offers (IPO) of Indian companies also subject to if that company has any fixed quota of shares that specifically to be allotted to NRI's only. They need not take permission from any government body in that case.

NRIs are allowed to Invest in Exchange Traded Funds (ETFs). NRIs can invest in ETFs both on repatriation as well as non-repatriation basis.

When you change your status to NRI with your share broker, you need to keep the difference between shares, those that need to be repatriated & those cannot.

There are two types of Demat account available for NRI's i.e. Repatriable Demat Account & Non – Repatriable Demat Account. So now NRI, s can have two different account basis of their need of NRE & NRO.

- Repatriable Demat Account – It's that account where an NRI hold securities which are purchased with the money that is repatriable. When you sold any share, your money will automatically have processed to your NRE Account.
- Non – Repatriable Demat Account - – It's an account where an NRI hold securities using money that is not repatriable. Sale proceeds will go to NRO account only.

The same way an NRI can have two separate trading accounts based on NRE & NRO.

As an NRI you can trade in Indian Stock Market only with your PINS account only. You can open your PIS/PINS account in any bank but that should be authorized by RBI to deal with PINS. It's advisable to have PINS in the bank where you have your NRE/NRO account only.

You can open your PINS account with Major Bank i.e. ICICI Bank, HDFC Bank, Kotak Bank, Citi Bank, Standard Chartered Bank, SBI & HSBC Bank and so on. PINS follow the RBI guideline of celling of investment in Indian companies, beyond which an NRI cannot invest into any company. The Bank, where you have your PINS account track your investment so that, it doesn't cross the ceiling limit of RBI.

As per law, an NRI can hold the securities which he has purchased when he/she was an Indian resident even after becoming NRI on Non – Repatriable basis. It's always best to instruct your banker to take transfer of those securities to you PINS account so that you can sell them in future as per your requirement.

Taxation depends on the country of stay. In India, the Long Term on shares is 10% currently but it may be higher in your country of stay. You can take advantage of DTAA to pay the differential.

Mutual Funds on Becoming an NRI

https://www.thewealthwisher.com/pms-for-nris/

It's a well-known fact in the today's world that Indian economy is one of the fastest economies in the world which has a long growth story. Recent growth in Indian stock market reflects that growth story only.

Being an NRI you also wish to take the advantage of that growth story & wants to make some gains out of that. Mutual Funds are the most favorite amongst the all available investment options.

In mutual funds, you need not to spent time likewise in stock market tracking a particular equity. Appointed fund managers by AMC's (Asset Management Companies) manages all the funds on behalf of you. Before investing in Indian Mutual Fund, you should know about the requirements & follow certain rules which are regulated by the SEBI (Securities & Exchange Board of India) which controls the Indian Mutual Funds industry.

KYC (Know Your Customer) Norms: It's mandatory for all mutual fund investors to follow KYC compliance norms issued by Reserve Bank of India. Change of status must be updated to all asset management companies where you have your investment. You also need to renew your KYC also, as your account used for electronic clearance system (ECS) or auto debit for the systematic investments in the MF will change. And your address will change also. Once the status is changed you need to link all your Indian investment to NRE/NRO account.

Mutual Fund Investments are Taxable: Being an NRI, when you invest in Mutual Funds you should know that gains which you make on your investments are taxable. You need to know that what tax rate will be applicable on short-term as well as long-term capitals gains on your investment in equity and non-equity (Debt & Liquid Funds) mutual funds.

Taxation for FY 2018-19 is:

INCOME-TAX IMPLICATIONS ON DIVIDEND RECEIVED BY UNIT HOLDERS

	Individual/ HUF	Domestic Company	NRI
Dividend			
Equity oriented schemes	Nil	Nil	Nil
Debt oriented schemes	Nil	Nil	Nil
Rate of tax on distributed income (payable by the MF scheme)**			
Equity oriented schemes*	10% + 12% Surcharge + 4% Cess = 11.648%	10% + 12% Surcharge + 4% Cess = 11.648%	10% + 12% Surcharge + 4% Cess = 11.648%
Money market or Liquid schemes / debt schemes (other than infrastructure debt fund)	25% + 12% Surcharge + 4% Cess = 29.12%	30% + 12% Surcharge + 4% Cess = 34.944%	25% + 12% Surcharge + 4% Cess = 29.12%
Infrastructure Debt Fund	25% + 12% Surcharge + 4% Cess = 29.12%	30% + 12% Surcharge + 4% Cess = 34. 944%	5% + 12% Surcharge + 4% Cess = 5.824%

* Securities transaction tax (STT) shall be payable on equity oriented mutual funds schemes at the time of redemption/switch to the other schemes/sale of units.

** For the purpose of determining the tax payable by the scheme, the amount of distributed income has to be increased to such amount as would, after reduction of tax on such increased amount, be equal to the income distributed by the Mutual Fund. In other words, the amount payable to unit holders is to be grossed up for determining the tax payable and accordingly, the effective tax rate would be higher. The above-mentioned rate is without considering the grossing up.

Surcharge mentioned in the above table is payable on base tax. Further, "Education cess" and "Secondary and Higher Education cess" is proposed to be discontinued. However, new cess called Health and Education Cess is proposed to be levied at 4% on aggregate of base tax and surcharge.

CAPITAL GAINS TAXATION

	Individual/ HUF $	Domestic Company @	NRI $
Equity Oriented Schemes • **Long Term Capital Gains (units held for more than 12 months)** • **Short Term Capital Gains (units held for 12 months or less)**			
Long term capital gains	10%*	10%*	10%*
Short term capital gains	15%	15%	15%
Other Than Equity Oriented Schemes • **Long Term Capital Gains (units held for more than 36 months)** • **Short Term Capital Gains (units held for 36 months or less)**			
Long term capital gains	20%&	20%&	Listed - 20%& Unlisted - 10%**
Short term capital gains	30%^	30%^^/25%^^^	30%^

Tax Deducted at Source (Applicable to NRI Investors) #		
	Short term capital gains $	**Long term capital gains $**
Equity oriented schemes	15%	10%*
Other than equity oriented schemes	30%^	10%** (for unlisted) & 20%& (for listed)

* Finance Bill, 2018 proposes levy of income-tax at the rate of 10% (without indexation benefit) on long-term capital gains exceeding Rs. 1 lakh provided transfer of such units is subject to STT.

$ Surcharge at 15% on base tax, is applicable where income of Individual/HUF unit holders exceeds Rs. 1 crore and at 10% where income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore. As per Finance Bill 2018, Education Cess at 3% shall be discontinued and new cess called "Health and Education Cess" to be levied at the rate of 4% on aggregate of base tax and surcharge.

@ Surcharge at 7% on base tax is applicable where income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and at 12% where income exceeds 10 crores. As per Finance Bill 2018, Education Cess at 3% shall be discontinued and new cess called "Health and Education Cess" to be levied at the rate of 4% on aggregate of base tax and surcharge.

\# Short term/ long term capital gain tax (along with applicable Surcharge and "Health and Education Cess") will be deducted at the time of redemption of units in case of NRI investors.

& After providing indexation.

** Without indexation.

^ Assuming the investor falls into highest tax bracket.

^^ This rate applies to companies other than companies engaged in manufacturing business who are taxed at lower rate subject to fulfillment of certain conditions.

^^^ If total turnover or gross receipts during the financial year 2016-17 does not exceed Rs. 250 crores.

Further, the domestic companies are subject to minimum alternate tax not specified in above tax rates.

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

Transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

Relaxation to non-residents from deduction of tax at higher rate in the absence of PAN subject to them providing specified information and documents.

Dividend Stripping: The loss due to sale of units in the schemes (where dividend is tax free) will not be available for setoff to the extent of tax free dividend declared; if units are: (A) bought within three months prior to the record date fixed for dividend declaration; and (B) sold within nine months after the record date fixed for dividend declaration. **Bonus Stripping:** The loss due to sale of original units in the schemes, where bonus units are issued, will not be available for set off; if original units are: (A) bought within three months prior to the record date fixed for allotment of bonus units; and (B) sold within nine months after the record date fixed for allotment of bonus units. However, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such unsold bonus units.

TDS on Mutual Fund Investments: You can check the TDS rates in the above picture.

Many times what tax rate should be charged by the portfolio managers from an NRI is in a state of confusion.

Tax rate liability is less while TDS is taxed with highest rate slab.

Also, there is a huge gap between tax rate to be charged to an NRI & TDS deducted by the portfolio managers on NRI Investments.

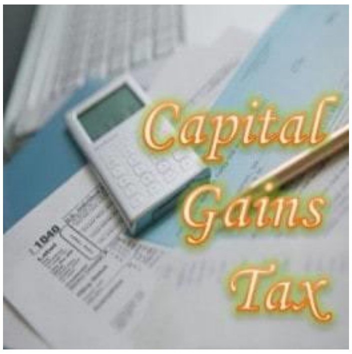
To get back the additional tax deducted, NRIs need to file an income tax refund. So being an NRI, when you get a tax deducted amount at the time you sell your investment in Indian mutual funds, you will have to file for a refund of your additional tax.

At that time, you need to be aware of the tax rate applicable to your investment in Indian Mutual Funds.

So, for the NRIs also, the capital gain is divided into two parts. Short-Term Capital Gain & Long Term Capital Gain. It's also to be noted that apart from capital gain surcharge & cess is also applicable to gains.

https://www.thewealthwisher.com/2011/01/30/long-term-and-short-term-capital-gains/

Short Term Capital Gain: Units of a Non-equity oriented scheme such as debt and money market mutual funds should be taxed as per your income tax slab. TDS will be deducted at the highest applicable rate of 30%, irrespective of what tax slab you belong to. Units of Equity oriented mutual funds will be taxed at 15%. In both conditions, whether the units belong to Equity or Non – Equity Mutual Funds Surcharge will be charged at 12% & cess at 4%.



Long Term Capital Gain: Units of the Non-equity oriented scheme if listed are taxed at 10% without indexation or 20% with indexation whichever is lower but the portfolio manager will deduct TDS at the flat rate of 20% for NRIs.

Units of a non-equity oriented scheme if unlisted are taxed at 10% without indexation. As per the Finance Act 2018, Long Term Capital Gain on equity oriented schemes will be charged at the rate of 10%. 12% Surcharge & 4% cess will also be applicable to both schemes.

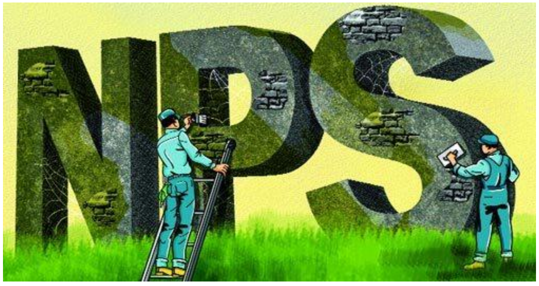
It should be noticed that being an NRI you can invest in all Indian mutual funds, except in funds promoted by Asset Management Companies based in the U.S. (DSP Blackrock, Franklin Templeton, and HSBC).

You can make payment from any of your NRE/NRO/FCNR accounts. If you make payments from NRE/FCNR account, then it can be on the repatriable basis (You can take the profit and principal out of the country.)

But, if you make payment from NRO account then it will be on a non-repatriable basis. However, the dividends can be repatriated. No prior permission needs to be taken from RBI for this.

National Pension Scheme (NPS)

https://www.thewealthwisher.com/2011/01/30/long-term-and-short-term-capital-gains/



NPS is useful if you wish to come back and settle in India because it is an annuity (pension) scheme. Along with PPF, NPS is a very good product to plan retirement.

NRIs can keep investing or open a new account.

It's a cost-effective, tax-efficient scheme that enables the subscriber to invest in flexible and portable retirement savings account. One can invest in equity or corporate bonds or government bonds as per his risk appetite.

The benefits that the subscribers receive depends on the number of contributions, returns generated on these contributions, and a number of years for which contributions were made.

Home Loan on Becoming NRI

https://www.thewealthwisher.com/2018/04/29/fixed-or-flexible-rate-home-loans/

On becoming NRI you can continue your existing home loan & also you can apply for a new home loan.

Treatment of Existing Running Home Loan: You can continue to pay monthly installments through ECS from NRO account. You need to check with your banker if they require any additional paperwork. You may be needing to give a fresh ECS mandate form to your bank if you have converted your bank account to an NRO account. You can also repay your home loan EMI's from your NRE account also. It's also better to register yourself for e-alerts & for home loan statement online. It will help you to know the principal and the interest portion paid when you file your tax returns abroad.

Applying for new Home Loan: An NRI can apply for a fresh home loan also. But before applying for a home loan you need to know what documents are required. Documents required for a home loan includes Passport & VISA as part of KYC, Deputation/Appointment Letter, Proof of your Indian address, work experience certificate, work permit, contract of employment & salary certificate. Statement of Non- Resident Origin (NRO) & Non- Resident External (NRE) is also required in support of all these. You need to give proof of foreign land which is to be verified by your employer. You can send all these documents on mail also or all the major banks in India has their presence in US, UK, Europe & Middle East Countries. You can submit all these documents directly to an Indian branch also.

It is mandatory to have a Co-Applicant & General Power of Attorney (GPA) for NRI's to applying for Home Loan in India. GPA holder must be either a Co-Applicant or Guarantor to the loan. There is a certain exception also that, Guarantor to loan is mandatory in a case where the local resident is not available as a Co-Applicant.

Minimum education eligibility requirement to apply for a home loan is Graduation. A home loan applicant must be a Graduation degree holder. Apart from education eligibility, income eligibility is also required which included repatriable income & income earned at India. Tenure of Home Loan for NRI may differ bank to bank. Most of the banks allow the home loans to NRIs for maximum for 15 Years. Minimum income rule is also varying from bank to bank, but many banks considered the $24,000 in a year as the minimum income level.

Joint Bank Account on Becoming an NRI

There are specific conditions in case of joint bank account which are the following:

Account with your spouse/any other resident Indian when you are the first holder: If you are holding an account with your spouse/with any other Indian on becoming NRI where you are the first account holder and your wife is a joint or applicant that account needs to be converted into NRO account by informing to bank officials.

Account with your spouse/any other resident Indian, you as a joint holder: In this condition, once you updated your status as NRI in a bank account, you will be a survivor only. Which means you cannot operate that account until the first account holder is in alive status.

Credit Card on Becoming an NRI

https://www.thewealthwisher.com/2010/12/25/how-many-credit-cards-should-i-have/

If you are planning to move abroad & carrying your credit card with yourself than before using it you should aware of the overseas expensed charged by the card issuing company.

You can also surrender your card to Bank. If you don't wish to surrender it than you can keep it with yourself carefully & use it when you came back to India.

It's to be remembered that you should pay your bill from your NRO account only, not from NRE. Following are the charges which are levied when you use your Indian credit card abroad:

Foreign Transaction Fees: Visa & Mastercard are the most trusted, safe & highly recommended international cards in the today's world. Both work as a middleman between the card issuing bank and the merchant from which you have purchased goods/service. Hence, when you use Indian credit card abroad, two parties charge a transaction fee. Visa, Mastercard, and other payment networks charge 1% and your card issuing bank charge 2%.

International Card Withdrawal Fees: If you are using any international credit card abroad, you will be charged overseas withdrawal fees in addition to advance cash fees. So, when you withdraw cash from any ATM in abroad it will be charged between 1 to 2%.

Foreign Currency Conversion Fees: This rate is also called as cross-currency markup is charged on every transaction which you make abroad using your Indian credit card. It's charged between 3 t0 5%. It may also vary from bank to bank.

Nomination on Becoming an NRI:

You must have a nominee when you have so many or single asset with your name. The nominee is important in case of any unfortunate event with yourself.

A nominee is a person by law who can claim for those assets otherwise that will be under an uncertain holding. You can nominate any person major or minor who must be an Indian resident. If you are appointing a person who is minor than you need to appoint a guardian for a minor.

Every bank account, mutual fund investment, insurance & d-mat account opening form has a nomination section where you can appoint a nominee.

Income Tax Return on Becoming a NRI:

https://www.thewealthwisher.com/2018/03/25/new-changes-in-income-tax/

According to Section 174 of the Income Tax Act, any person leaving India who plans to stay away for a long time is required to file his return for the total income earned during the financial year up to the date of his departure. Guidelines for NRI for filing Income Tax Return in India are given below.

Only the income which is earned in India is taxed in India. Such income would typically include salary received in India, rental income from properties in India, interest on bank deposits or other securities, dividend income, capital gains etc.

Income earned by NRI outside India is not taxable in India.

Rates of taxation for several types of income applicable to NRI are same as those applicable to resident Indians. As a thumb rule, you must file an IT Return in India for if your Gross Income is more than exemption limit or Rs 2,50,000 (assuming you are less than 60 yrs old. Rs 3,00,000 if 60-80yrs old and Rs 5,00,000 if more than 80 years old).

INCOME TAX RATES FOR NRIS

Total Income	Up to ₹ 250,000 [(a) (b) (d)]	₹250,001 to ₹500,000	₹500,001 to ₹1,000,000	₹1,000,001 and above
Tax Rates [(c)]	NIL	5%	20%	30%

a) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR 300,000.
b) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR 500,000.
c) Plus, surcharge on income-tax, as applicable (Health and Education cess is applicable at the rate of 4% on income-tax and surcharge.)
d) Rebate of upto INR 2,500 available for resident individuals whose total income does not exceed INR 350,000.

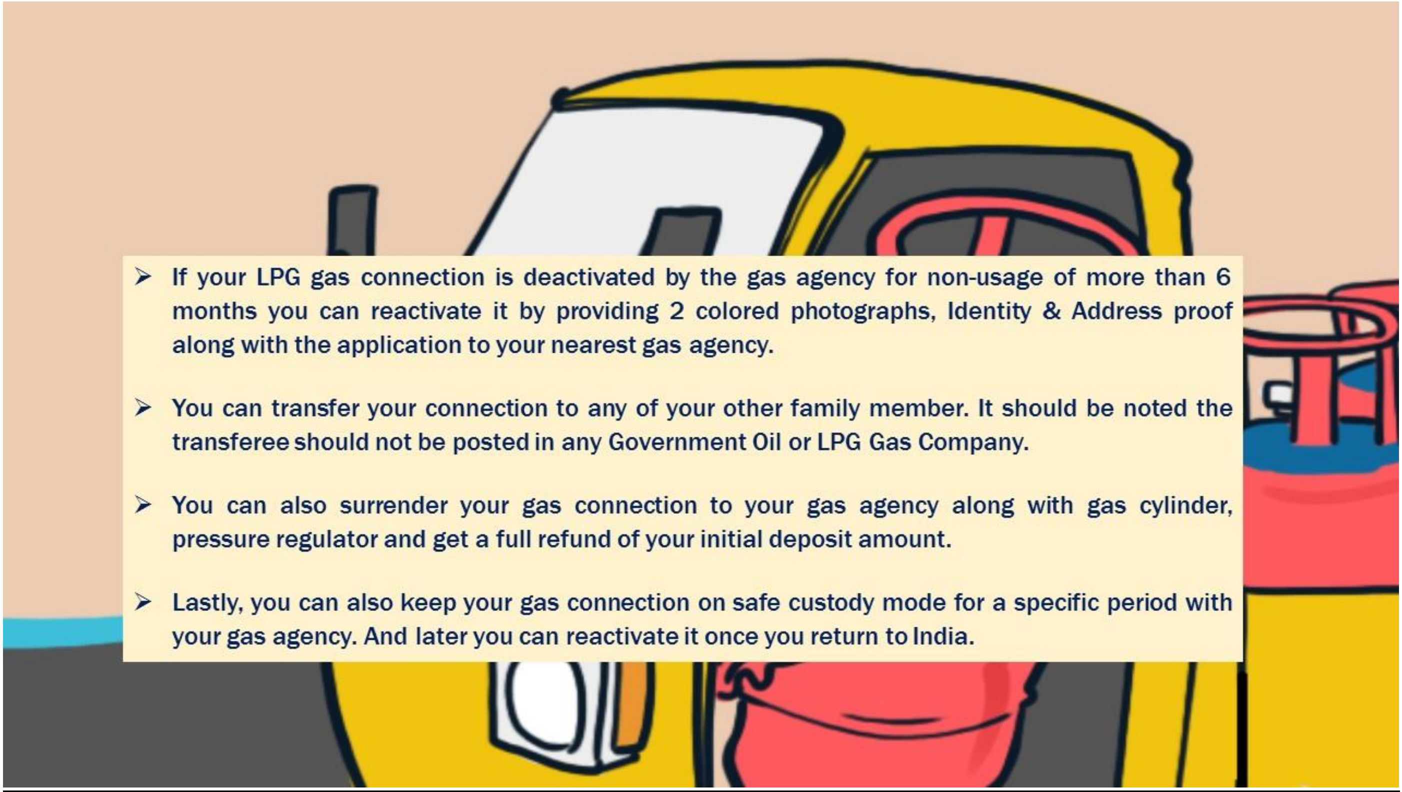
However, tax-exempt incomes like that earned on investments in PPF will continue to be exempt in India. How the foreign country treats the amount of taxation would depend on its rules.

Interest on NRE or FCNR(B) deposits is exempt from tax in India. Hence, TDS is not applicable.

On the other hand, interest on NRO deposits is taxed as per the income tax slab of the investor. TDS on such interest income will be deducted at 30% for NRI investors. It is quite possible that the NRI investor does not fall in the highest income tax bracket. However, the bank is not aware of this. Hence, it deducts the TDS at the maximum possible tax rate. If you fall in the lower tax bracket, you can get the refund after filing returns.

Gas Connection on Becoming an NRI

If you have any active gas connection in India & it has not been used for more than 6 months as you have moved to abroad. In this situation, your gas agency can close or deactivate your connection. There are few options available to you which you can take:



Mobile Connection on Becoming an NRI

There are two different processes for Postpaid & Prepaid mobile number. If you are holding a prepaid mobile connection & will not use it for more than 3 months that the company will automatically deactivate your mobile number. After 3 – 4 months they can allot it to any other person.

So if you want to keep such number, put a small recharge and leave the number with a friend or family member. Tell him to make one call every month so that it beats the definition of “dormant” SIM card.

If you are holding a postpaid connection and wish to discontinue than it is better to pay you full due amount & give an application for surrender of mobile number to the service provider. If you will not pay your due amount, the service provider will contact you on your alternate number to settle full due amount. On non-payment, they may send you a legal notice also.

But, if you want to continue your postpaid number before leaving from India you may activate international roaming also to your mobile number so that you can contact your family members once you reach abroad. It will also be helpful when you make an online banking transaction. Any one-time password (OTP) will came to your registered Indian mobile number only.

Have you checked our Dedicated Finacial Planning & Wealth Management Service for NRI?

NRI Wealth Management Service - Manu