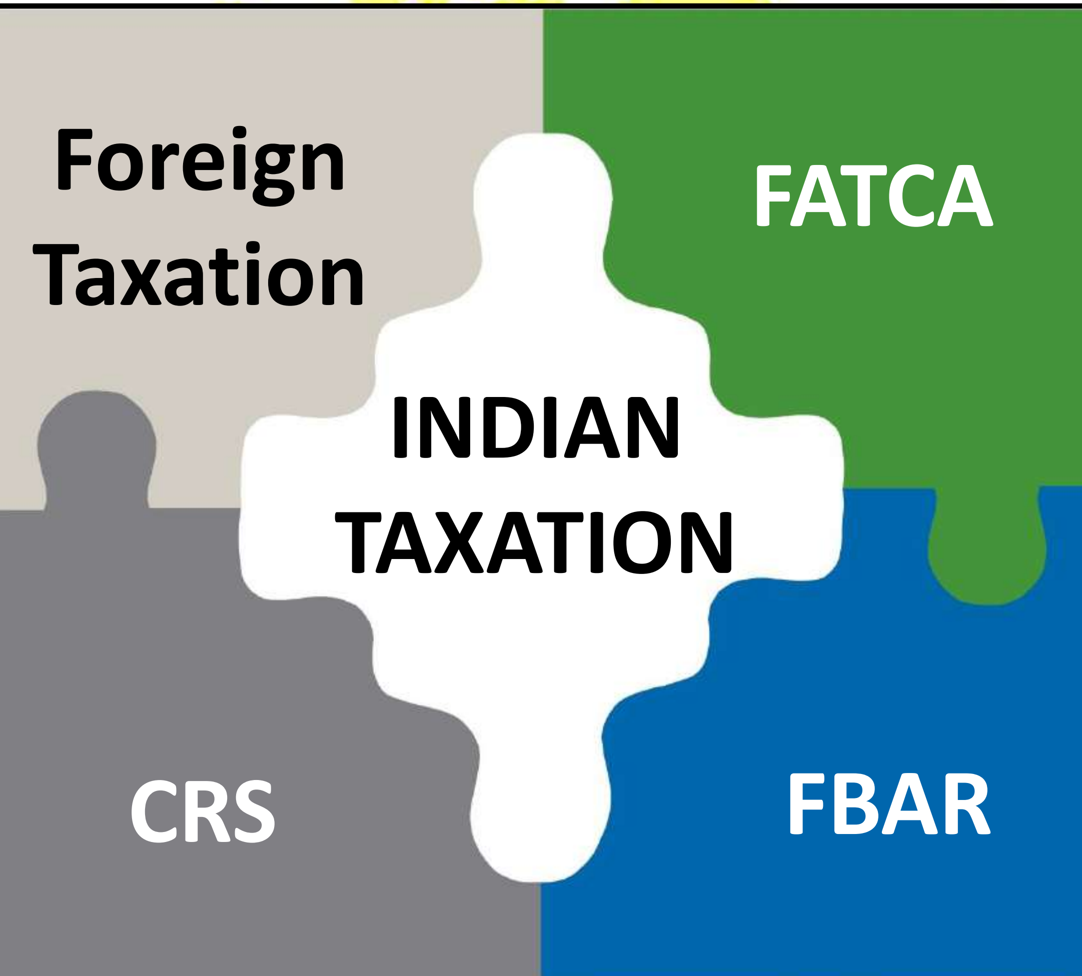


Overview of NRI Taxation with recent amendments

ASHUTOSH®

Income Tax liability in India

Changes in Income Tax Act for Non Residents

Present provisions (till 31-03-2020)

This definition applies to :

i) An Indian Citizen who leaves India for the purposes of employment outside India or

ii) An Indian Citizen leaving India as a member of the crew of an Indian ship or

iii) An Indian Citizen or Person of Indian Origin (PIO) who is outside India, comes on a visit to India.

An individual is resident in India, if he is in India for a period of 182 days or more during the previous year.

Changes in Income Tax Act for Non Residents

Present provisions (till 31-03-2020)

This definition applies to persons other than:

i)An Indian Citizen who leaves India for the purposes of employment abroad or

ii)An Indian Citizen leaving India as a member of the crew of an Indian ship or

iii)An Indian Citizen or Person of Indian Origin (PIO) who is outside India, comes on a visit to India.

An individual is a resident in India if he is in India for a period of :

182 days or more during the previous year

OR

60 days or more during the previous year AND 365 days or more during the four years preceding that previous year.

Changes in Income Tax Act for Non Residents

New provisions (from 01-04-2020)

This definition applies to – An Indian Citizen or Person of Indian Origin (PIO) who is outside India, comes on a visit to India and has Indian Income + Foreign incomes from a business controlled or a profession set up in India NOT exceeding Rs. 15 Lakhs during the previous year.

An individual is a resident in India if he is in India for a period of :

182 days or more during the previous year

A Person of Indian Origin(PIO) is a person either of whose parents or grandparents were born in undivided India.

Changes in Income Tax Act for Non Residents

New provisions (from 01-04-2020)

This definition applies to – An Indian Citizen or Person of Indian Origin (PIO) who is outside India, comes on a visit to India and has Indian Income + Foreign incomes from a business controlled or a profession set up in India exceeding Rs. 15 Lakhs during the previous year.

1) An individual is a resident in India if he is in India for a period of :
182 days or more during the previous year OR
120 days or more during the previous year AND 365 days or more during the four years preceding that previous year.

2) An individual is deemed to be a Resident but not Ordinarily Resident (R but not OR) in India if he is in India for a period of :
More than 120 days but less than 182 days during the previous year AND 365 days or more during the four years preceding that previous year.

Changes in Income Tax Act for Non Residents

New provisions (from 01-04-2020)

This definition applies to:

1) **An Indian Citizen who leaves India for the purposes of employment abroad.**
2) **An Indian Citizen leaving India as a member of the crew of an Indian Ship.**

An individual is a resident in India if he is in India for a period of :

182 days or more during the previous year.

Changes in Income Tax Act for Non Residents

New provisions (from 01-04-2020)

This definition applies to persons other than :

i.) An Indian Citizen who leaves India for the purposes of employment abroad or

ii.) An Indian Citizen leaving India as a member of the crew of an Indian ship or

iii.) An Indian Citizen or Person of Indian Origin (PIO) who is outside India, comes on a visit to India.

An individual is a resident in India if he is in India for a period of :

182 days or more during the previous year

OR

60 days or more during the previous year AND 365 days or more during the four years preceding that previous year.

Changes in Income Tax Act for Non Residents

New provisions (from 01-04-2020)

Under section 6(1A) of the Income Tax Act, persons satisfying the following conditions shall be deemed to be Resident but not Ordinarily Resident (R but not OR) in India.

1st condition: The person is a Citizen of India.

2nd condition: The person is not liable to tax in any jurisdiction/country by reason of his domicile or residence or any other criteria.

3rd condition: The person has Indian Income + Foreign Income from a business controlled or a profession set up in India exceeding Rs. 15 Lakhs during the previous year.

Changes in Income Tax Act for Non Residents

New provisions (from 01-04-2020)

For persons who are residents

Resident & Ordinarily Resident (R & O R)	Resident but not Ordinarily Resident (R but not OR)
Resident in India at least 2 out of 10 previous years preceding the relevant previous year AND Has been in India for a period of 730 days or more during 7 years immediately preceding the relevant previous year.	Has been a Non Resident in India in 9 out of 10 previous years preceding that previous year OR Has been in India for 729 days or less in 7 years immediately preceding the relevant previous year.

Persons who are Non Residents or deemed to be Resident but Not Ordinarily Resident (R but not OR) need not go into the above bifurcation of residents.

Scope of taxability in India

Indian Income

✓ Income received or accrued or arised in India.

Foreign Income

✓ Income not received nor accrued nor arises from India.

Which Incomes of NRI are taxable in India ?

Particular	Resident and ordinarily resident in India (R & OR)	Resident but not ordinarily resident in India (R but not OR)	Non-resident in India (NR)
Indian income	Taxable	Taxable	Taxable
Foreign Income	Taxable	Non Taxable	Non Taxable
Income from business or profession accruing or arising outside India, but business controlled from India or a professional setup in India.	Taxable	Taxable	Non Taxable

Negative effects of becoming a R but NOR

1. **Benefits of concessional rates stated in respective <u>DTAA</u> for various kinds not incomes such as interest, royalty, etc. not available.**

2. **Benefits of concessional rates in <u>Income tax Act</u> for various incomes such as dividend, specified capital gains, etc. for NRIs not available.**

3. **If <u>business is controlled or profession is set up</u> in India, the global incomes of that business or profession is taxable in India.**

Positive effects of becoming a R but NOR

1. **Benefits of <u>higher basic exemption limit</u> of income tax for senior citizens and super senior citizens shall be available.**

2. **Benefits of <u>rebate U/s 87A</u> upto Rs.12500 available if income is not exceeding Rs. 5 lakhs.**

3. **Benefit of <u>exemption from paying advance tax</u> available to senior citizens not having business incomes.**

Double Taxation Avoidance Treaty (DTAA)

Double Taxation Avoidance Treaty (DTAA)

Basic of Taxation
(When income from more than one country)

Residence Rule	Source Rule
Under this rule, the country can tax persons if they are residents or domiciled in the country, regardless of the source of income. The principle of residence – based taxation of income envisages the taxation of global income.	Under this rule, importance is to the source (country) where income is generated. The principle of source – based taxation is to pay tax in country which provide opportunity for income generation.

Double Taxation Avoidance Treaty (DTAA)

What is a Double Taxation Avoidance Agreement (DTAA) ?

- ✓ Double Taxation Avoidance Agreement (DTAA) is agreements entered into between countries, between India and another foreign state. The basic objective is to avoid, taxation of income in both the countries (i.e. Double taxation of same income) and to promote and foster economic trade and investment between the two countries.
- ✓ India has DTAA with at least 90 countries such as the US, the United Kingdom, the UAE, Canada, Australia, Saudi Arabia, Singapore and New Zealand, Kenya, Tanzania, South Africa, Sudan etc.

Double Taxation Avoidance Treaty (DTAA)

Principle of (DTAA)

Treaty <u>overrides</u> the local law. Local law or terms of the treaty <u>whichever is beneficial</u> shall apply to the assessee.

<u>Examples</u>

<table>
<tr><th rowspan="2">Tax Resident of Country</th><th colspan="2">Tax Rates under DTAA</th><th colspan="2">Tax Rates under Income Tax Act</th></tr>
<tr><th>Dividend Income</th><th>Interest income</th><th>Dividend Income</th><th>Interest income</th></tr>
<tr><td>Australia</td><td>15%</td><td>15%</td><td rowspan="5">20%
+
Surcharge
(if applicable)</td><td rowspan="5">30%
+
Surcharge
(if applicable)</td></tr>
<tr><td>Singapore</td><td>15%</td><td>15%</td></tr>
<tr><td>UAE</td><td>10%</td><td>12.5%</td></tr>
<tr><td>United Kingdom</td><td>10%</td><td>15%</td></tr>
<tr><td>United States</td><td>25%</td><td>15%</td></tr>
</table>

How to compute taxable Income when, different financial year in India & Abroad ?

How to compute taxable Income when, different financial year in India & Abroad ?

For Instance…

- ✓ Financial Year in India is <u>1st April to 31st March</u>.

- ✓ Financial Year (<u>Tax Year</u>) in US is <u>1st January to 31st December</u>.

How to compute taxable Income when, different financial year in India & Abroad ?

Segregating transactions in the following form :

- ✓ **From 1st January to 31st December from the bank statement / investment statement.**

- ✓ **If more transactions have been undertaken, pass entries in computerised accounting software, then segregate it on start & end date basis.**

- ✓ **We are clear about the income to be aggregated in US tax return.**

How to compute taxable Income when, different financial year in India & Abroad ?

Tax Credit of the incomes taxed in India :

- ✓ For Indian incomes between 1st January to 31st March, taxes & Returns would have been filed, credit of taxes (not any interest or penalty) on that basis.

- ✓ For Indian incomes between 1st April to 31st December, credit on the basis of withholding tax in India (TDS) or advance tax paid. These advances taxes should be towards final tax liability.

Reporting for foreign tax compliance

ASHUTOSH FINANCIAL SERVICES PVT. LTD.				Div: Ashutosh NRI Services Doc. No.: AFSPL-F-ANS-14A		
Summary of Incomes & Assets for the Year (USA) *(P & C)*				Rev. No. & Date: 00/01.01.20		
Name of Person :			Mr. / Ms. ABC			
Permanent Account Number (PAN) :						
Financial Year :			01/01/2019 to 31/12/2019			
S. No.	Documents No.	Annexure	Particulars	Amount *(in INR)*	Amount *(in USD)*	Withholded Tax *(in INR)*
Details of Incomes & Taxes during the Financial Year:						
2	AFSPL-F-ANS-14B	Annexure - A	Saving Bank Interest Income	46,540.00	664.02	8,114.00
3	AFSPL-F-ANS-14B	Annexure - B	Renti Income	15,902.00	229.93	-
4	AFSPL-F-ANS-14B	Annexure - C	Income from Inheritenance	476,772.01	6,688.72	-
6	AFSPL-F-ANS-14C	Annexure - D	Long Term Capital Gain/Loss on Sale of Immovable Property	156,372.00	2,270.21	112,622.00
7	AFSPL-F-ANS-14C	Annexure - E	Long Term Capital Gain/Loss on Sale of Mutual Fund	(82,706.00)	(1,160.36)	-
8	AFSPL-F-ANS-14C	Annexure - F	Short Term Capital Gain/Loss on Sale of Mutual Fund	64.16	0.85	4,270.14
			Total	612,944.17	8,693.37	125,006.14
Details of Tax Paid, Liability, & Refund during the Financial Year:						
1	AFSPL-F-ANS-14D	Annexure - G	Total Tax Liabilities	15,330.00	214.83	
			Less:			
2	AFSPL-F-ANS-14D	Annexure - H	Total Tax Withholded	125,006.14	1,751.77	
3	AFSPL-F-ANS-14D	Annexure - H	Total Self Assessment Tax	-	-	
4	AFSPL-F-ANS-14D	Annexure - H	Total Advance Tax	-	-	
			Tax Payable / (Refund)	(109,676.14)	(1,536.94)	
Details of Investments in Assets during Financial Year and Closing Values:						
1	AFSPL-F-ANS-14E	Annexure - I	Investments in Mutual Funds	2,355,933.84	33,014.77	
2	AFSPL-F-ANS-14E	Annexure - J	Investments in Other Assets (Movable & Immovable)	1,691,615.06	23,705.37	
			Total Value of Assets	4,047,548.90	56,720.14	
Specific Compliance Reporting:						
1	AFSPL-F-ANS-14F	Annexure - K	Details of Closing Balance of Mutual Funds Units (FOR FORM 8621)	2,355,933.84	33,014.77	

Source for exchange rate : *https://www.federalreserve.gov/releases/h10/hist/dat00_in.htm (The Federal Reserve System)*

Taxation of various Indian Incomes
&
Tax Deduction at Source (TDS)
for
NRI

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
01	Salaries.	At normal rate, after all deductions - including standard deduction.	At normal rates (U/s. 192)
02	Rental Income Received or Annual Letting Value (ALV) on all the house property - other than one self occupied property.	At normal rate, after deduction of 30%.	30% (U/s. 195)

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
03	Remuneration in Partnership Firm / LLP.	At normal rate.	30% (U/s. 195)
	Interest on Capital.		
	Share in profits of partnership Firm / LLP.	Exempted (U/s. 10(2A))	NIL
04	Professional Fees, Business Income.	At normal rates.	30% (U/s. 195)

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
05	Sale of Immovable Assets including Agricultural Land located within specified area.	Period of holding more than 2 years – Long Term Capital Gain. 20% Tax after indexation on Capital Gain. (U/s. 112)	20% (U/s. 195)
		Period of holding less than 2 years – Short Term Capital Gain. At normal tax rates. (U/s. 112)	30% (U/s. 195)

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
06	Sale of Listed Shares – STT paid.	Period of holding less than 1 year – Short Term Capital Gain. Capital gain @ 15%. (U/s. 112A)	15% (U/s. 195)
		Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted up to Rs. 1,00,000. (U/s. 112A)	10% (U/s. 195)

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
07	Mutual Fund Investments. ▪ Equity Oriented.	Period of holding less than 1 year – Short Term Capital Gain. Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195)
		Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted upto Rs. 1,00,000 (U/s 112A)	10% (U/s. 195)

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
08	Mutual Fund Investments. ▪ Not equity Oriented.	Period of holding less than 3 years – Short Term Capital Gain. At normal rates	30% (U/s. 195)
		Period of holding more than 3 years – Long Term Capital Gain. (Listed Securities) Capital gain @ 20% with Indexation. U/s. 112(1)(C)(ii)	20% (U/s. 195)
		Period of holding more than 3 years – Long Term Capital Gain. (Unlisted Securities) Capital gain @ 10% without Indexation. (U/s. 112(1)(C)(iii)).	10% (U/s. 195)

Taxation of various Indian Incomes & (TDS) for NRI

Sr. No.	Type of Income	Taxation levy for NRI *	TDS rate (withholding tax rate) *
09	Interest income on Bank Deposits (NRO A/c).	At normal rates.	30% (U/s. 195)
10	Interest on Private Deposits		
11	Interest Income on Small Savings Schemes.		
12	Dividend income from Shares	20 % U/s 115A (1) (a) (i)	20 % (U/s. 195)
13	Dividend income from units of Mutual Funds	20 % U/s. 115A (3)	20 % (U/s. 196A)

* Additional levis to the above tax rates

- **For Incomes Rs. 50 lakh or less.** : **Health and Education Cess (HEC) @ 4%.**

- **For Incomes more than Rs. 50 lakh but less than Rs. 1 Cr.** : **First add Surcharge @ 10% and then on the total of tax and surcharge a further levy of 4%.**

- **For Incomes more than Rs.1 Cr but less than Rs.2 Cr** : **First add Surcharge @ 15% and then on the total of tax and surcharge a further levy of 4%.**

* Additional levis to the above tax rates

▪ For Incomes more than Rs.2 Cr but less than Rs.5 Cr	:	First add Surcharge @ 25% and then on the total of tax and surcharge a further levy of 4%.
▪ Incomes more than Rs.5 Cr	:	First add Surcharge @ 37% and then on the total of tax and surcharge a further levy of 4%.

- Surcharge on incomes from short term and long term capital gains arising out of sale of listed equity shares and equity oriented mutual funds (U/s 111A & 112A) shall not exceed 15%.

Tax Deduction at source (TDS) for NRI :

Operation of Sec. 195 of the Income Tax Act.

✓ Sec. 195 (1) :

- Payer : Any person.
- Payee : A NRI, not being a company or foreign company.
- Payment : Any sum, other than salaries and some other payment chargeable under the provision of Income Tax Act.
- Rate of TDS : At the prescribed rates.

Taxation of various Indian Incomes & (TDS) for NRI

Tax Deduction at source (TDS) for NRI :

Operation of Sec. 195 of the Income Tax Act.

- ✓ **Sec. 195 (2) :**
  - Application by Payer (no prescribed format) for determination of such sum on which TDS to be deducted. Rejection is appealable.
- ✓ **Sec. 195 (3) :**
  - Application by Payee for NIL TDS.

- A certificate U/s. 197 can be obtained by the payee (Form No. 13) for lower or Nil TDS, for TDS to be made U/s 195. Rejection is not appealable.

- Section 195 does not apply to sums paid to Non Residents which are exempt from tax, as it applies to only "any sum chargeable to tax."

Taxation of various Indian Incomes & (TDS) for NRI

Incomes which are completely exempted from Income Tax and there is no Tax Deduction at Source (TDS) on these incomes.

Sr. No.	Type of Income	Income exempted under the provision
01	Interest income on NRE A/c	U/s. 10(4)
02	Interest income on PPF A/c	U/s. 10(11)
03	Agricultural Income	U/s. 10(1)
04	Gain on sale of Agricultural land situated beyond the below limits	Not considered as a Capital Assets U/s. 2(14)(iii), hence exempted
	Population of a city / town etc.	Aerial Distance
	10,000 to 1,00,000	2 kms.
	1,00,000 to 10,00,000	6 kms.
	Above 10,00,000	8 kms.
05	Share in profits of a partnership Firm	U/s. 10(2A)

Tax Planning for NRI in India

Tax Planning for NRI in India

- ✓ Deduction for investments U/s. 80C maximum of Rs. 1,50,000.
  - Life Insurance Premium
  - Repayment of Housing Loan
  - Equity Linked Savings Scheme of Mutual Fund (ELSS)
  - 5 Year Bank FD
  - PPF (In existing A/c)
- ✓ Deduction for Health Insurance U/s. 80 D.
  - Maximum of Rs. 25,000 for age below 60 Years and Rs. 50,000 for age above 60 Years PLUS additional Rs. 50,000 for Senior Citizen Parents.
- ✓ Deduction for donation U/s. 80G – 50%/100% of sum donated, maximum upto 10% of Gross Total Income.
- ✓ Deduction U/s. 80TTA on interest earned on Savings Bank Account (NRO A/c) maximum of Rs. 10,000.

Tax Planning for NRI in India

- Increased taxable limit is not available to Senior Citizen (above 60 years) or Super Senior Citizen (above 80 years).
- Rebate U/s. 87A of Rs. 12,500 is not available.
- Deduction U/s. 24 is available on interest paid on Housing Loan against Income from House Property. Loss under this head can be claimed, maximum of Rs. 2,00,000 against other incomes in the year of income.
- If a NRI intends to stay for a long period in India, in order to ensure that he does not become a resident, he can split stay in two financial years.
- NRI can invest in Capital Gain Bonds U/s 54-EC to get exemption from Capital Gain.
- NRI can invest U/s 54 or 54-F in residential house to get exemption from capital gain.

Tax Planning for NRI in India

- ✓ Non Resident should receive his incomes abroad, and then remit such incomes credited in the foreign accounts, to India. If the incomes are received in India, they become taxable in India.
- ✓ Interest on NRO A/c (Savings of Fixed Deposits) is taxable. A NRI can transfer his NRO A/c balances, within the limit of 1 Million US$, per person – per year, to NRE / FCNR A/c and make the interest income tax free.
- ✓ HUF (Hindu Undivided Family) are recognized as a separate legal entity under Indian Tax laws. Income of HUF is not the income of and individual. Utility of HUF as an entity for investments can be looked into for planning the tax liability abroad. NRO Bank A/c of HUF can be opened, if all the members are NRI.

Overview of FATCA & FBAR

Why was FATCA and FBAR introduced ?

Requirement of US Tax Laws

US Tax Resident Person

Income in US

Income outside of US

Global Income Taxable in US.
(Aggregate of both)

Overview of FATCA & FBAR

Why was FATCA and FBAR introduced ?

On ground scenario

US Tax Resident Person

Income in US

Income outside of US

Tax paid only on US Income.

Income out of US not disclosed.

Why was FATCA and FBAR introduced ?

FATCA & FBAR – effective tools to check evasion of taxes on income outside of US

Financial Transactions outside of US done by US Tax Resident

Information filed by US Tax Residents in FATCA & FBAR Forms

Information obtained by FATCA from respective countries

Cross verification of both information & checking US tax compliance of all these transactions

Overview of FATCA & FBAR

FBAR (Report of Foreign Bank and Financial Accounts) :

✓ **United States Persons are required to File Form 114 if :**

- **The United States person had a Financial Interest in or signature authority over at least one financial account located outside the United States**

and

- **The aggregate value of all foreign financial accounts exceeded US $ 10000 at any time during the calendar year reported.**

FATCA (Foreign Account Tax Compliance Act) :

- ✓ FATCA targets tax non – compliance by US tax payers with Foreign Accounts.
- ✓ FATCA requires US Tax payers to file Form 8938 on Foreign Financial Assets.
- ✓ FATCA requires Foreign Financial Institutions (FFI's) to report to the I.R.S; information about financial accounts held by US tax payers.

Overview of FATCA & FBAR

FATCA Compliance by Indian (FFI’s) :

- ✓ **Determination date for FATCA : 30th June, 2014.**
- ✓ **All new accounts opened after the determination date.**
- ✓ **Pre existing accounts electronic search of information in the system.**
- ✓ **High value accounts (US$ 1 mn +) paper record search + inquiry of Relationship Manager, additional requirement.**
- ✓ **Closed accounts also subject to the above process.**

Overview of FATCA & FBAR

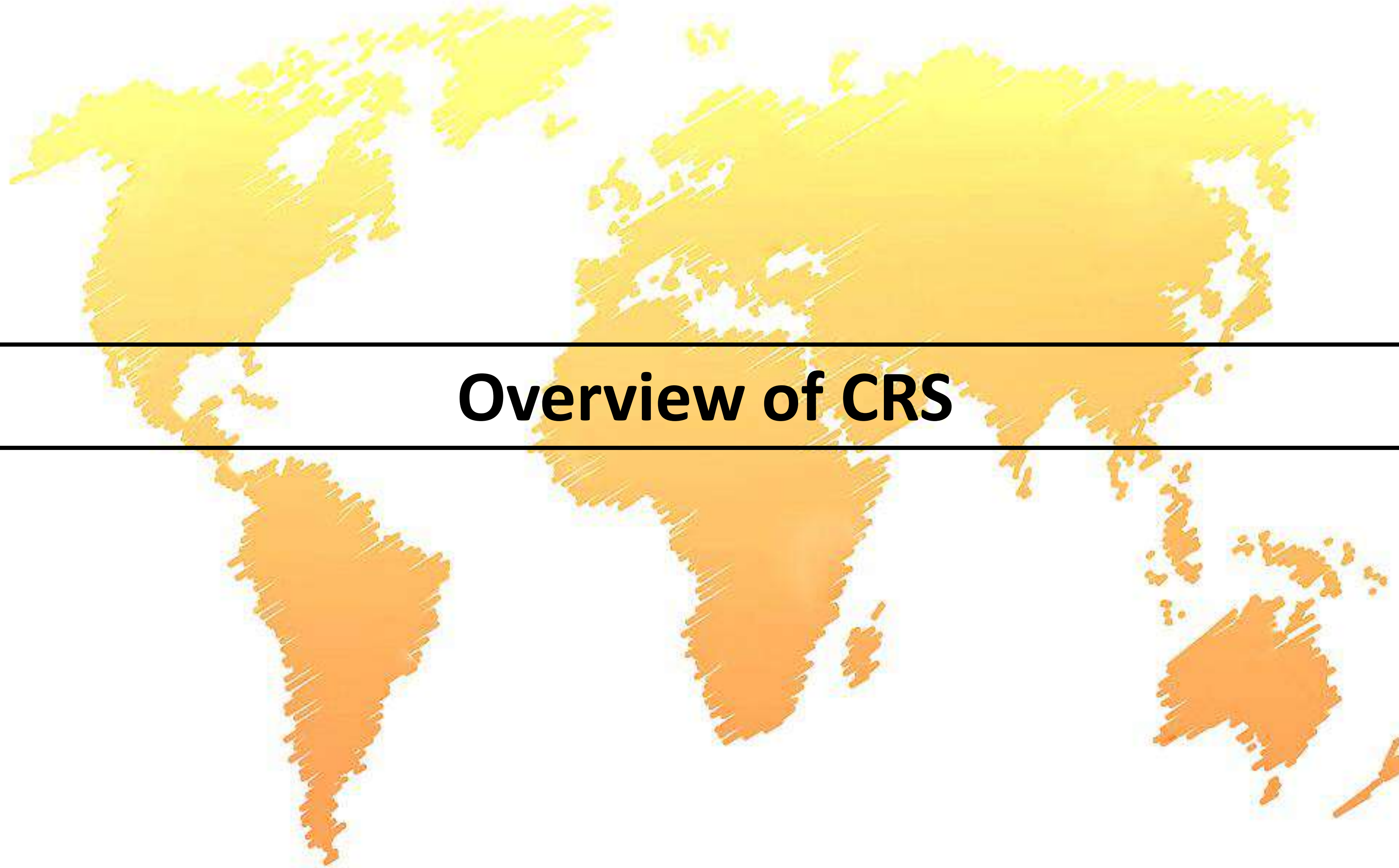
	FATCA	FBAR
	Form 8938, Statement of Specified Foreign Financial Assets	FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)
Reporting Threshold (Total Value of Assets)	$50,000 on the last day of the tax year or $75,000 at any time during the tax year. (if you are unmarried and lived in U.S.) $100000 on last day of the tax year or & $150000 at any time during the tax year. (if you are married and lived in U.S.) $200000 on last day of the year or $300000 at any time during the year. (if you are unmarried and lived abroad.) $400000 on last day the year or $600000 at any time during the year. (if you are married and lived abroad.)	$10,000 at any time during the calendar year. This is a cumulative balance, meaning if you have 2 accounts with a combined account balance greater than $10,000 at any one time, both accounts would have to be reported.

Overview of FATCA & FBAR

	FATCA	FBAR
What is Reported?	Specified foreign financial assets, and certain other foreign non-account investment assets.	Financial interest: you are the owner of record or holder of legal title. Signature authority: you have authority to control the disposition of the assets.
Where to File?	File with income tax return pursuant to instructions for filing the return	File electronically through FinCENs BSA E-Filing System. The FBAR is not filed with a federal tax return.

Overview of FATCA & FBAR

Types of foreign assets and whether they are reportable		
	FATCA	FBAR
Financial (deposit and custodial) accounts held at foreign financial institutions.	Yes	Yes
Foreign partnership interests	Yes	No
Foreign mutual funds	Yes	Yes
Foreign-issued life insurance or annuity contract with a cash-value	Yes	Yes
Foreign real estate held directly	No	No
Foreign currency held directly	No	No
Precious Metals held directly	No	No
Personal property, held directly, such as art, antiques, jewellery, cars and other collectibles	No	No



Overview of CRS

Overview of CRS

CRS – Common Reporting System :

- ✓ FATCA version of OECD (Organisation for Economic Co-operation & Development) countries.

- ✓ Platform to exchange financial information in respect of residents of 112 countries.

- ✓ Countries include – India, United Kingdom, UAE, Singapore, Hong Kong, China, Australia, Canada, Germany, Switzerland etc.

- ✓ Determination date : 31st December 2015.

Overview of CRS

CRS – Common Reporting System :

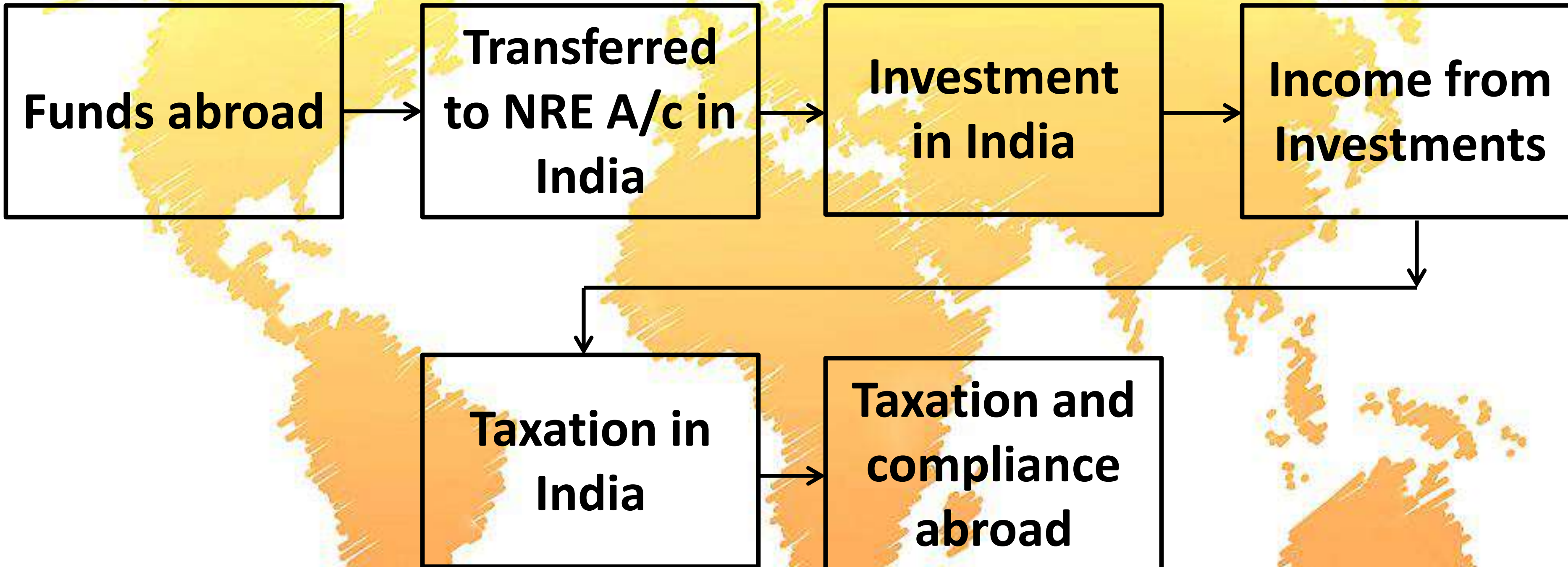
✓ **CRS has a broader scope than FATCA**

- **<u>All Accounts supposed</u> to be reported (<u>without minimum balance exclusion</u>).**
- **<u>Income to be reported under CRS</u> over & above the accounts and investments.**
- **<u>Transactions with all entities</u> are to be reported. FI with local client base, retirement funds etc. not exempted in CRS.**

Interesting case study of NRI Planning

Investment intended in India by NRI :

<u>Case 1</u>



Interesting case study of NRI Planning

Investment intended in India by NRI :

Case 2

Funds in India – erstwhile Savings, Sale of Assets etc. → Balance in NRO Account → Investment in India → Income from Investments

Income from Investments → Taxation in India → Taxation and compliance abroad

Interesting case study of NRI Planning

Investment intended in India by NRI :

<u>Improved version Case 1</u>

Funds abroad →

Gifts to Parents (Ownership transferred) →

- Investment in India by parents
  - Nomination of NRI
  - Specific Will for investments

→ Income from Investments

Taxation in India →

No taxation abroad →

Redemption of Investment & Gift to NRI OR Transmission of investment & Redemption

→ Balance in NRO Account

→ Repatriation under US 1 Million $ limit

Interesting case study of NRI Planning

Investment intended in India by NRI :

Improved version Case 2

Funds in India – erstwhile Savings, Sales of Assets etc.

Balance in NRO A/c

Gifts to Parents (Ownership transferred)

- Investment in India by parents
  - Nomination of NRI
  - Specific Will for investments

Income from Investments

Taxation in India

No taxation abroad

Redemption of Investment & Gift to NRI OR Transmission of investment & Redemption

Balance in NRO Account

Repatriation under US 1 Million $ limit

Disclaimer

This Presentation contains personal views of the Speaker Mr. Daxesh D. Kothari on the subject, which should not be relied or acted upon without specific professional advice. Financial Products are subject to related risks and one should read the offer documents carefully before acting on it.

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Thank you... Questions ?

We are an ISO 9001:2015 certified company

ASHUTOSH FINANCIAL SERVICES PVT. LTD.

•INVESTMENTS •INSURANCE •FUNDING •INCOME TAX & SUCCESSION PLANNING •NRI SERVICES

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