

FACILITIES FOR RETURNING INDIANS

Effective from 17th July 1992, the Government of India has granted exemption from the surrender requirement to persons who return to India after a continuous stay abroad of one year and above in respect of funds/assets acquired by them abroad otherwise than a contravention of FEMA or out of foreign exchange earned through employment, business or vocation outside Indian taken up or commenced while they were resident outside India.

Persons satisfying the conditions of general exemption can retain their foreign currency accounts with banks abroad and/or hold, transfer or dispose of their other foreign currency assets such as shares, securities or investments in business, etc. and immovable properties. These assets held abroad can be repatriated to India and returning Indians can hold them separately in India with authorised dealers under the Resident Foreign Currency (RFC) Accounts Scheme.

Returning NRIs are required to redesignate their non-resident account as resident rupee or RFC account after their arrival in India. However, they can continue their FCNR (B) deposits till their original maturity date and on maturity it can be transferred to RFC account.

RESIDENT FOREIGN CURRENCY (RFC) ACCOUNTS SCHEME

As per FEMA Notification No. 10(R)/2015-RB dated 21st January 2016, Resident individual may open, hold and maintain with an Authorised Dealer in India a Foreign Currency Account, to be known as a Resident Foreign Currency (RFC) Account, out of foreign exchange realised on conversion of assets held or owned by such person, when he was resident outside India or inherited from a person who was resident outside India. Returning Indians, i.e., those Indians, who were non-residents earlier and are returning now for permanent stay, are permitted to open, hold and maintain with a Bank in India a Resident Foreign Currency (RFC) Account, out of -

- Foreign currency assets held outside India and brought to India at the time of returning for permanent stay; or
- Foreign exchange received as pension or any other superannuation or other monetary benefits from the employer outside India; or
- Foreign exchange released on conversion of the foreign assets including foreign security or immovable property situated outside India if such currency, security or property was acquired, held or owned by such person when he was resident outside India or/and repatriated to India; or
- Foreign exchange received or acquired when he was resident outside India as a gift or inheritance from a person resident outside India and proceeds have been repatriated to India;

RFC account can be held singly or jointly in the names of eligible persons.

RFC account can be maintained in the form of Savings, Current and term deposit.

No cheque books are given for RFC-SB account.

RFC account can be opened and maintained in USD, GBP, EURO, CAD & AUD.

Only certain permissible credits viz., remittances in any permitted currency from abroad, pension or any other monetary benefits received from abroad, interest on RFC accounts, foreign currency notes/travellers cheques, transfers from other RFC account of the account holder, balance in NRE/FCNR account at the time of his arrival in India and any other amount specifically permitted by RBI are allowed under RFC.

Funds in RFC accounts can be remitted abroad for any bonafide purpose of the account holder and his dependents including exchange required for travel and other personal purposes and investments.

Funds can be transferred from one RFC account to another RFC account of the same person.

Withdrawals/Payments other than foreign currency remittance abroad, shall be made in equivalent Indian Rupees only.