

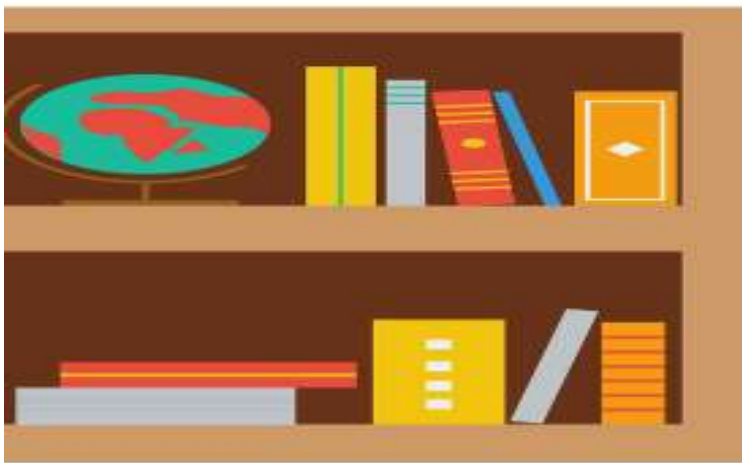
FEMA Ke Fundae

#FamiliarwithFEMA

**Investment by NRI & OCI
on Non-Repatriable basis**

Issue No : 65

Date : 06th September 2023





**Raghav
(NRI)**

Hello, Mr Fema Gyani. Hope you are doing good. I am a Non-Resident Indian (NRI) and I want to invest in the equity shares of an Indian Co. I have approached my bank to transfer funds from my NRO account. Now, my bank is asking about whether I am doing investment on repatriation or non-repatriation basis. But I am not able to understand the same.

Hi Raghav. As per law, “**investment on repatriation basis**” means an investment, sale or maturity proceeds of which are net of taxes, eligible to be repatriated out of India, and the expression “**investment on non-repatriation basis**”, shall be construed accordingly.



The FEMA Gyani





**Raghav
(NRI)**

Sorry, I am not able to understand a single word, it's tricky for me.

Don't worry Raghav, I will help you out. So
In simple words-



The FEMA Gyani

Repatriation means remitting money back
to the host country

Non-Repatriation means money cannot be
remitted back to the host country



Raghav

Okay, Got it. I can invest under non-repatriation basis since I am planning to settle in India in future. However, I am curious to know why people invest with such restriction of non-repatriation?

This is because there are **benefits** of investing on non-repatriation basis. Investment on Non-repatriation basis which are done from the NRO Account of NRI is considered as par with domestic investment and therefore requires **No FEMA Fillings**.



The FEMA Gyani

Mr. FEMA Gyani does that mean my funds can **never** be repatriated back?



Raghav



Raghav

Okay, Got it. I have one more question. Am I allowed to remit income earned on investment?

No Raghav, you **can** repatriate USD 1 million per year from your NRO Account.



The FEMA Gyani

Yes, You are allowed to bring back all your current incomes like dividend income , income from investments, etc.



The FEMA Gyani

Okay. Thank you so much Mr. FEMA Gyani.



Raghav

Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



<https://in.linkedin.com/company/jscoa>

WEBSITE

<https://jainshrimal.com/>



International Tax Gyan
WhatsApp group



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