

FEMA Ke Fundae

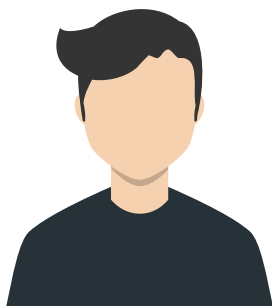
#FamiliarwithFEMA

**Foreign Currency Non
Resident (Bank) Account**

Issue No : 87

Date : 07-02-2024



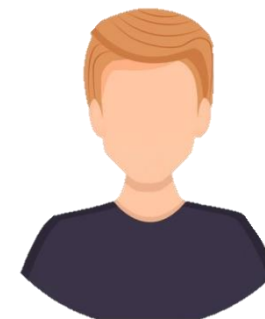


Arvind
(Non-resident Indian)

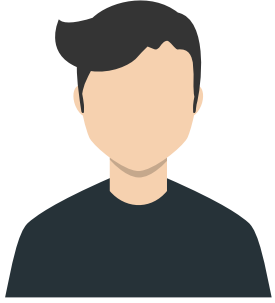
Hi Mr. FEMA Gyani I'm Arvind (NRI) I want to keep my earnings (foreign currency) in India. I've heard about FCNR accounts, but honestly, they sound a bit confusing. Could you explain them in a way I can understand?



Of course, Arvind. Think of FCNR as a special bank account, like a locked suitcase, but instead of rupees, it holds your foreign currency earnings securely.



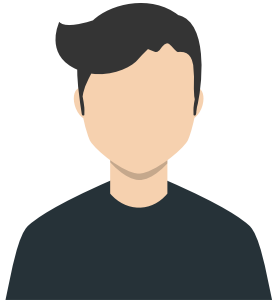
The FEMA Gyani



**Arvind
(Non-resident Indian)**

Interesting! So, I can park my dollars or euros in this suitcase-account?

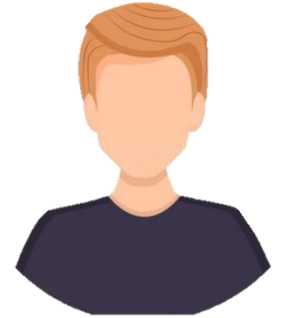
Precisely, Yes You deposit your foreign currency, choose a lock time (term of deposit), and watch your money grow with attractive interest rates.



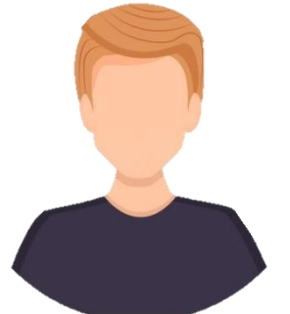
**Arvind
(Non-resident Indian)**

That's great! But what about the lock time? Can I open it anytime I want?

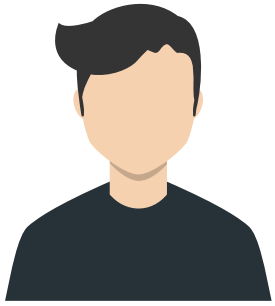
Well, like any good suitcase, FCNR comes with a commitment. You can choose a term, that term should be not less than 1 year and not exceeding 5 years



The FEMA Gyani



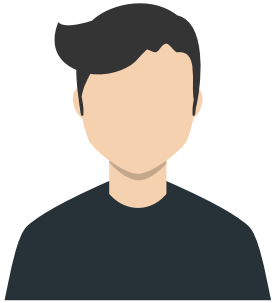
The FEMA Gyani



Arvind
(Non-resident Indian)

okay. Makes sense. Now, what about the goodies inside the suitcase? Can I take them out easily?

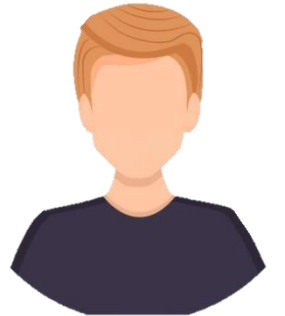
Absolutely! The best part about FCNR is that it is fully repatriable. You can withdraw your principal and the interest earned, in your chosen foreign currency, anytime you want, without any restrictions



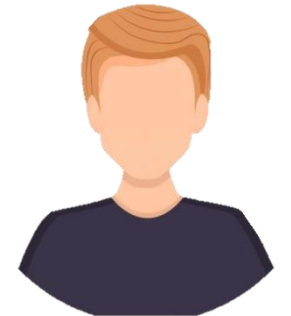
Arvind
(Non-resident Indian)

Wow, that's definitely appealing! What about taxes? Do I have to pay anything on the interest earned?

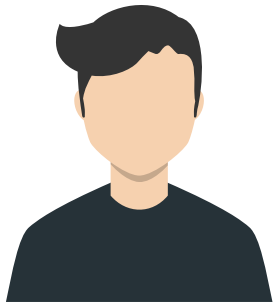
Another perk, Arvind! The interest you earn on your FCNR deposit is completely tax-free in India. Consider it as a bonus for choosing this secure option.



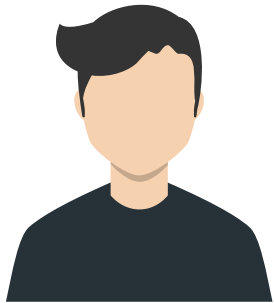
The FEMA Gyani



The FEMA Gyani



Arvind
(Non-resident Indian)



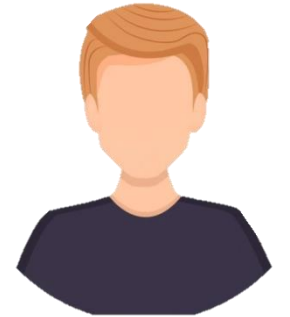
Arvind
(Non-resident Indian)

Can I use this "suitcase" for anything else?

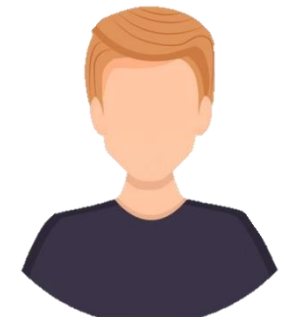
Certainly! Some banks offer Loan facilities against your FCNR deposit, that can come in handy for unexpected expenses.

This FCNR account sounds like a pretty amazing deal! Is there anything else I should know before I pack my foreign currency into it?

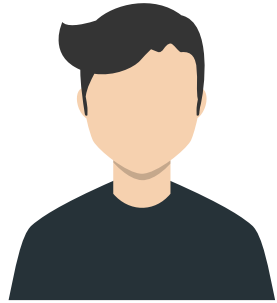
Remember, Arvind, FCNR is primarily a fixed deposit scheme. So, it's not ideal for frequent transactions. And make sure you choose a bank with competitive interest rates and clear terms and conditions.



The FEMA Gyani



The FEMA Gyani

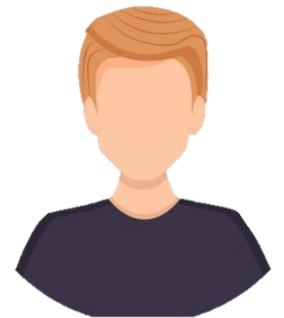


Arvind
(Non-resident Indian)

Thank you so much, Ms. FEMA Gyani! You've made everything about FCNR crystal clear.

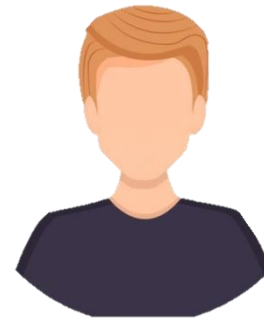


Happy to help, Arvind!



The FEMA Gyani

Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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

WEBSITE

<https://jainshrimal.com/>



International Tax Gyan    
WhatsApp group



Disclaimer

- ❑ This presentation has been prepared on the basis of information available in the public domain and is intended for guidance purposes only.
- ❑ Jain Shrimal & Co. has taken reasonable care to ensure that the information in this presentation is accurate. It however accepts no legal responsibility for any consequential incidents that may arise from errors or omissions contained in this presentation.
- ❑ This presentation is based on the information available with us at the time of preparing the same, all of which are subject to changes which may, directly or indirectly impact the information and statements given in this presentation.
- ❑ Neither Jain Shrimal & co., nor any person associated with us will be responsible for any loss however sustained by any person or entity who relies on this presentation. Interested parties are strongly advised to examine their precise requirements for themselves, form their own judgments and seek appropriate professional advice.