

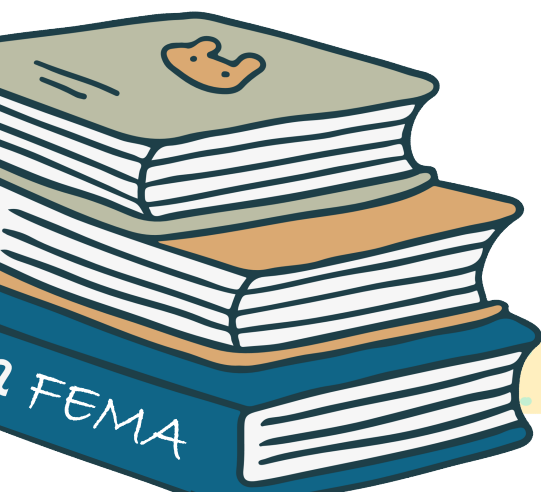
# FEMA Ke Fundae

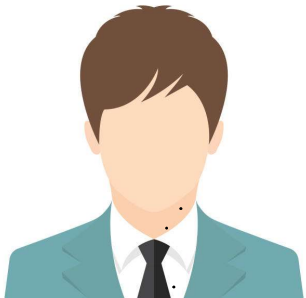
#FamiliarwithFEMA

**Portfolio  
Investment  
Scheme For  
NRIs**

Date: 04/12/2024

Issue no: 129



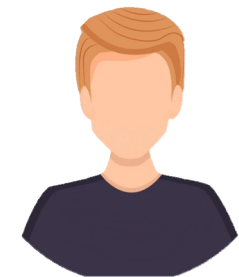


**Austin  
NRI**

Hey, FEMA Gyani. I've been thinking about investing in the Indian stock market. I'm an NRI I live in UK , so I was wondering if you could explain the Portfolio Investment Scheme to me.



Absolutely, Austin. The Portfolio Investment Scheme (PIS) is a great way for NRIs like you to invest in Indian securities. It allows you to buy and sell shares and convertible debentures of Indian companies on recognized stock exchanges.



**The FEMA Gyani**

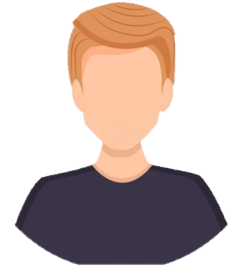




**Austin  
NRI**

That sounds interesting. So, what are the basic rules for PIS?

Well, there are a few key points to remember.



**The FEMA Gyani**

**First**, you need to designate a bank branch in India to handle all your transactions.

**Second**, you have to buy and sell through a registered broker on a recognized stock exchange.

**And third**, all transactions must be delivery-based, meaning no speculative trading is allowed.

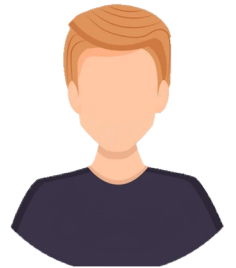




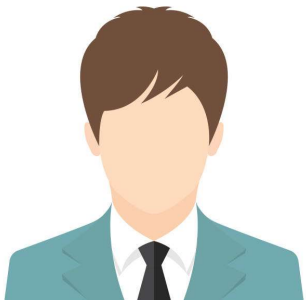
**Austin  
NRI**

Got it. Are there any limits on how much I can invest?

Yes, there are. NRIs under PIS can hold upto 5% of the paid up capital of the company. However, in case of the company in which investment is to be made, the aggregate paid up value of shares purchased by all NRIs cannot exceed 10% of the paid up capital of the company. The aggregate ceiling of 10% can be raised to 24% by passing a special resolution to that effect.



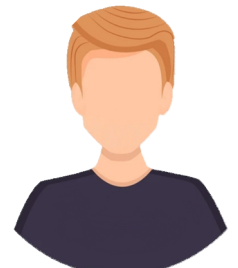
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**Austin  
NRI**

That's good to know. Can I invest on a repatriation or non-repatriation basis?

Absolutely. Investment is permitted on both Repatriation and Non-Repatriation basis.



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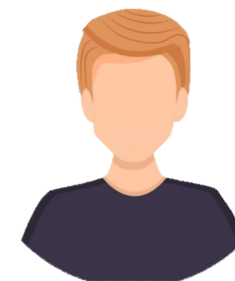




**Austin  
NRI**

I see. What about taxes? Do I have to pay taxes on my investments?

Yes, you'll need to pay applicable taxes on any income or capital gains you earn from your investments. However, the specific tax rules may vary depending on your country of residence.



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Thanks for the information. One last question: Can I use a power of attorney holder to manage my investments?

Yes, you can. A power of attorney holder can manage your portfolio on your behalf, but they cannot remit funds outside of India.



**The FEMA Gyani**



**Austin  
NRI**

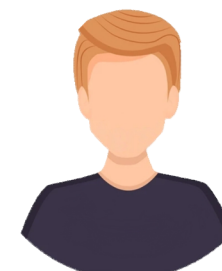


**Austin  
NRI**

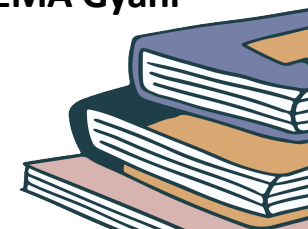
Great. I think I have a good understanding of the PIS now. I'll start looking into it further.



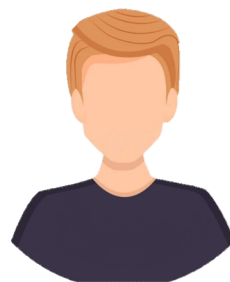
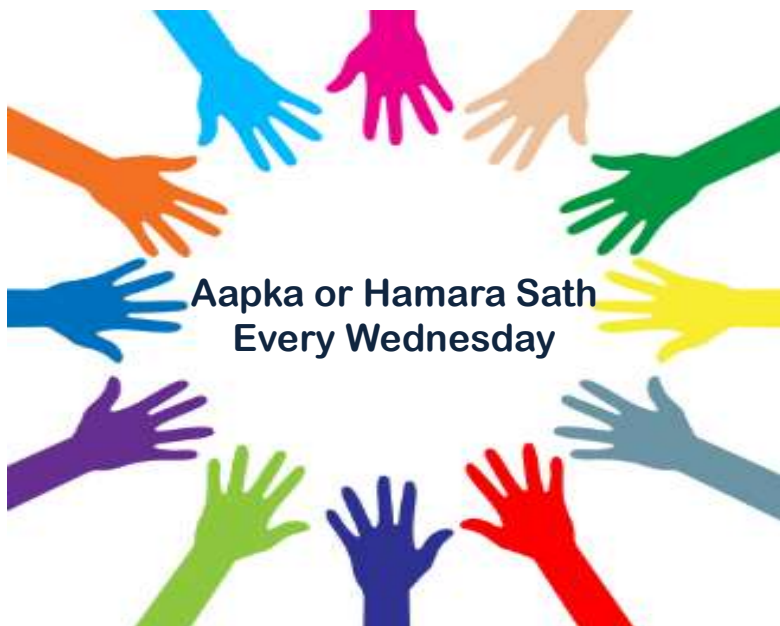
I'm glad I could help you Austin.



**The FEMA Gyani**



# Thank You



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Comments

Feedbacks

Suggestions



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International Tax Gyan     
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