

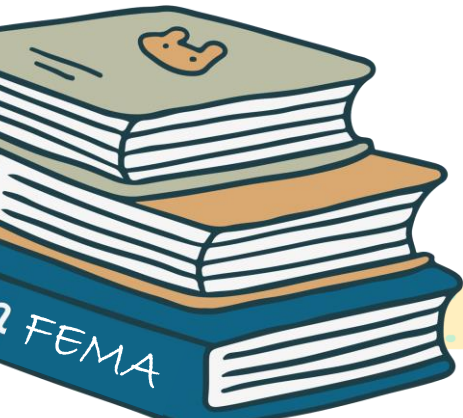
FEMA Ke Fundae

#FamiliarwithFEMA

**NRI
Returning To
India
(Part 2 of 2)**

Date: 15.01.2025

Issue no: 136





Topics already Covered in PART-1

1. Returning Indian under FEMA
2. Remuneration Earned Abroad
3. Repatriation of Salary under FEMA for a Person Resident in India (PRII)
4. Repatriation of Foreign Currency and FEMA Limits

For Part 1, refer the below link:-

Linkdin:<https://www.linkedin.com/feed/update/urn:li:ugcPost:7282667711279575040/?actorCompanyId=31225427>

Website:<https://jainshrimal.com/nri-returning-to-india-part-1/>





Kriti

Hello, Mr Fema Gyani, In our previous conversation, you mentioned that I can bring my salary and remuneration to India and deposit it into a Resident Foreign Currency (RFC) account. Could you please provide more details about how this account works and the process involved?

Hello, you can convert your existing foreign currency accounts, such as FCNR (Foreign Currency Non-Resident) and NRE (Non-Resident External) accounts, into a Resident Foreign Currency (RFC) account once you return to India. This account allows you to manage your foreign earnings and savings as a resident of India while retaining the benefits of holding foreign currency. It's a great option for handling your foreign funds seamlessly during your stay in India.



The FEMA Gyani

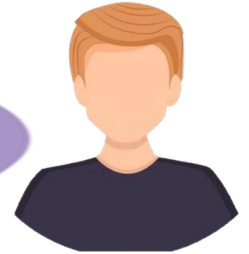




Kriti

Interesting ! Can you explain what is an RFC account ?

RFC account is a bank account that can be maintained by resident Indian in foreign currency. These accounts are especially useful for Non Resident Indians who return to India and would like to bring back foreign currency from their overseas bank accounts.



The FEMA Gyani

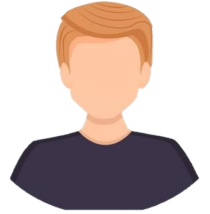


Kriti

That sounds perfect! Who can open an RFC account?



An RFC account can be opened by any Individual who was an NRI and has returned for permanent settlement in India for a continuous period of not less than one year.



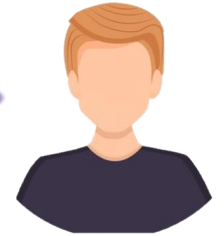
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Kriti

Ok, But what about the permitted credits under this account ?

Various permitted credits are given for RFC account which includes-



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You can credit funds like:



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Foreign exchange acquired before July 8, 1947, or any income arising on it held outside India with RBI permission

Foreign exchange received as earnings of LIC claims/ maturity/ surrendered value settled in forex from an Indian insurance company

Gift/ inheritance received from a close relatives

Foreign exchange realised on conversion of the assets referred to in Sec 6(4) of FEMA (*assets include foreign currency accounts, shares, securities, investments, and immovable properties abroad.*)

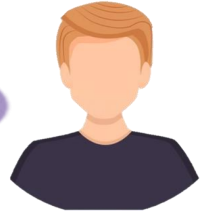


Kriti

Okay, I have one more question, Can I use the money in my RFC account to make purchases in India?

PLANNER

Absolutely! You have no restrictions on how you use the money in your RFC account, whether it's for domestic or international transactions.



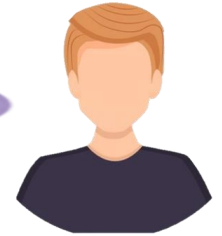
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That's great! So, it's like a regular savings account, but for foreign currency?



Kriti

Exactly. You can even earn interest on the balance in your RFC account.



The FEMA Gyani





Kriti

This sounds very helpful, Fema Gyani. What happens if there is a change of residential status?

No worries, Kriti. The balances in Non-Resident External (NRE) Account and Foreign Currency Bank (FCNR) Account can be credited to the RFC account when the residential status of the non-resident Indian (NRI) or OCI changes to that of a Resident.



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Kriti

Excellent! Thanks for explaining everything so clearly, Fema Gyani.



Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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

WEBSITE

<https://jainshrial.com/>



International Tax Gyan   
WhatsApp group





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