



# *Happy 3<sup>rd</sup> Anniversary*

## **FEMA Ke Fundae**

**#FamiliarwithFEMA**

**Jain Shrimal & Co.**

**Special Non-Resident  
Rupee (SNRR) Account**

*Date: 11/06/2025*

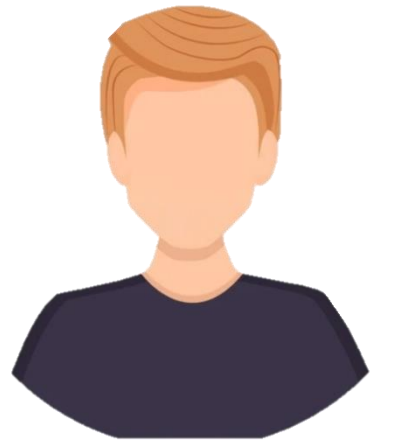
*Issue No.157*



**David**

Hey, FEMA Gyani. I'm David non-resident and I have recently partnered with an Indian fintech startup. I want to handle my transactions in India efficiently — but honestly, this whole currency conversion thing is difficult for me to understand.

Hey, David! Sounds like you're feeling the pressure of dollar-based transactions?

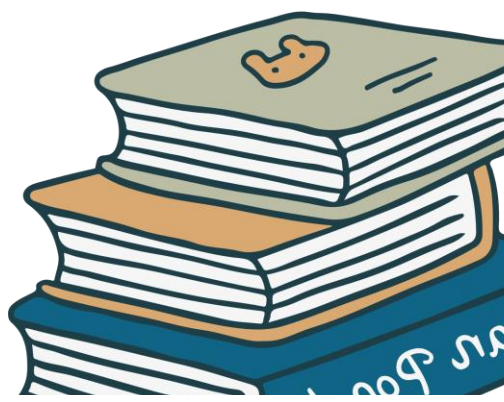


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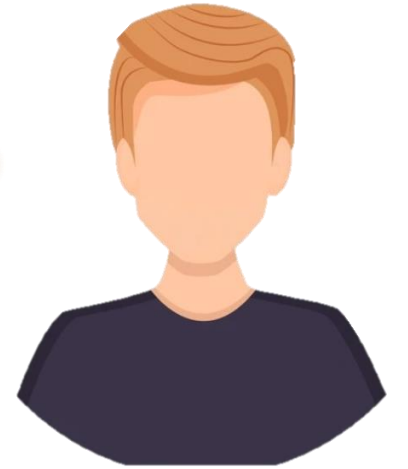
Exactly! Invoicing is done in foreign currency, then convert it to INR. Then convert it back to repatriate profits which is costly and confusing!



**David**



That's a common problem. But India has a powerful tool— it's called the **SNRR Account**, or **Special Non-Resident Rupee Account**.



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What is an SNRR Account?



**David**

An SNRR account is a **Rupee-denominated bank account** that any **person resident outside India** may open, hold and maintain with an authorised dealer in India or its branch outside India **if they have a business interest in India**. It lets you carry out business transactions in INR — legally and smoothly — under India's **Foreign Exchange Management Act (FEMA)**.



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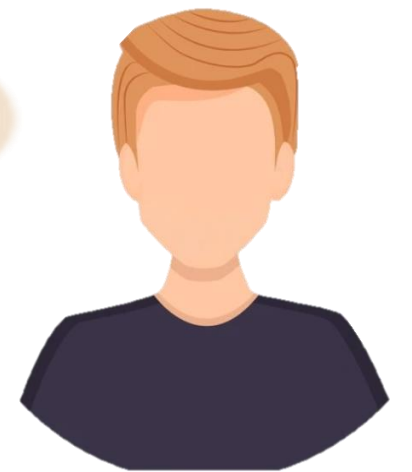
David

So, can I open an SNRR Account?



Yes, you can! You just need to pass **two simple tests**:

1. You should be a **resident outside India** as per the relevant laws of FEMA, and
2. You should have a **business interest** in India

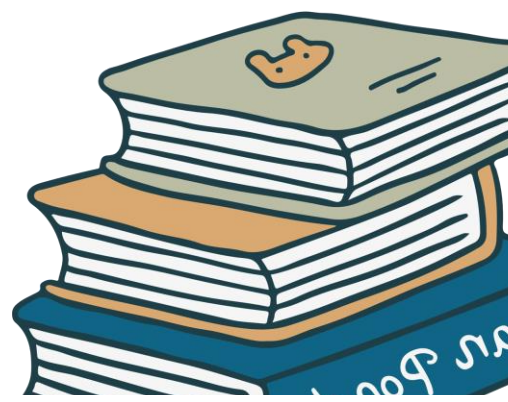


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David

Okay, and what documents do I need to open this account?



Here's a standard list (may vary slightly by bank):



**Duly filled,  
signed and  
stamped Non-  
Individual  
Account Opening  
Form**

**Copy of  
Company PAN  
Card**

**Mailing Address of Entity**

**FATCA Declaration  
signed by a Director/ CS**

**Board Resolution on the  
letter head of the Entity.**

**Annexure I (Beneficial  
Owner Declaration).**

**List of Director**

**Complete KYC of  
Authorized signatory and  
beneficial owners**

**Revised Undertaking for credit  
exposure for opening Current  
account.**

**CKYC form**

**Certificate of  
Incorporation, MOA and  
AOA – attested by  
authorized signatory  
along with stamp**

**Certificate of  
commencement of  
business in case of  
Limited company-  
attested by authorized  
signatory along with  
stamp**

**MCA site validation  
report**



David

And what kind of transactions can I do through the SNRR account?



You can carry out **all permissible current and capital account transactions**.  
Some common ones include:

- **Investments** made in India (FDI, equity, debt instruments)
- **Import/export** of goods and services
- **Trade credit transactions and lending under External Commercial Borrowings (ECB)**

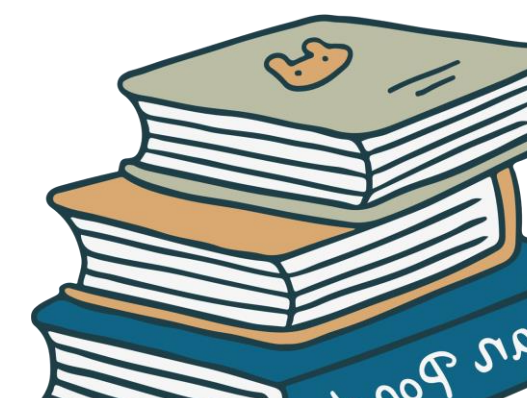


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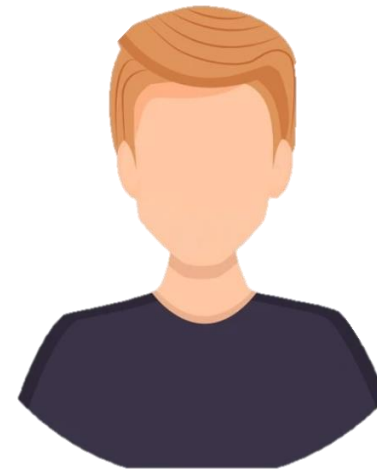


David

Sounds efficient. But what are the key benefits?



## Benefits of opening SNRR Account



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### 1. Easy Tax Refunds

Many foreign companies earn money from India — like fees or royalties — even without having an office here. Taxes are deducted from these payments.

To get a **refund** of any extra tax paid, they can use an **SNRR account**. The refund is directly credited to this account, making the process **easy and smooth**.

### 2. No Need for an Indian Office

Foreign companies with a contract in India can now open an **SNRR account** to manage project payments — **without setting up a physical office**, if it's not required.

This makes it **easier to do the project and send profits back home**.

### 3. Maintaining Deposits in Indian Rupees

With an **SNRR account**, foreign companies can keep money in **Indian Rupees**, so they don't need to convert currency often.

This saves on exchange costs and makes managing business in India **easier and more stable**.



David

Anything else I need to consider while opening an SNRR Account?



Key Considerations to focus on, while opening of SNRR Account are:

Banks may open **separate SNRR accounts for each type of transaction**, or a single one with clear categorization

If the account holder dies, the money can be transferred to the nominee's NRO/NRE account or sent abroad through regular banking channels.

Funds in the SNRR account can be freely repatriated (sent back abroad), but money from NRO accounts cannot be transferred into an SNRR account.

The credits, debits, and balances in the account must directly relate to the actual business operations of the account holder. No unrelated or excessive transactions are allowed.

If an Indian party is making a domestic remittance into an SNRR account and such transaction would have required A2 reporting if it were foreign, then the same reporting must still be done.

The SNRR account cannot be used to provide foreign exchange to Indian residents in return for rupees, or in any indirect manner.

If the non-resident account holder becomes a resident in India, the SNRR account must be converted to a regular resident rupee account.





David

I thought setting up business in India would be a regulatory maze. But this SNRR account makes things so much simpler



Exactly, David! This is part of India's broader push for **currency diversification and de-dollarisation**. The more businesses like yours use the **INR in trade**, the more we strengthen India's position in the global economy.

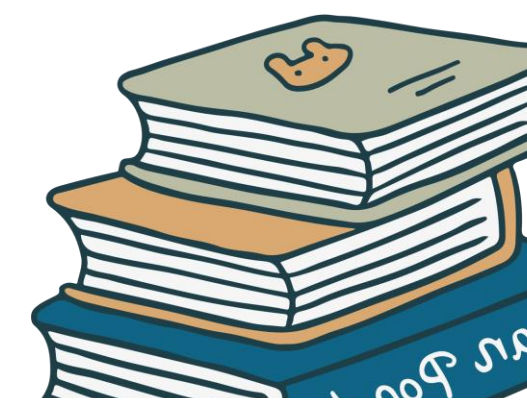


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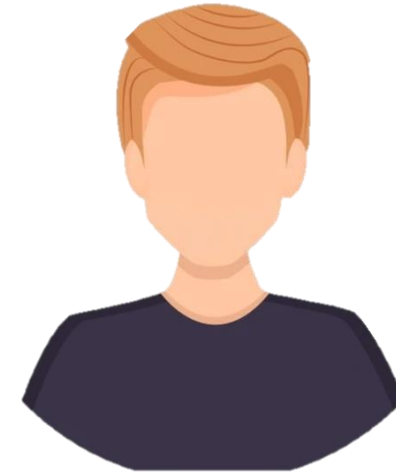
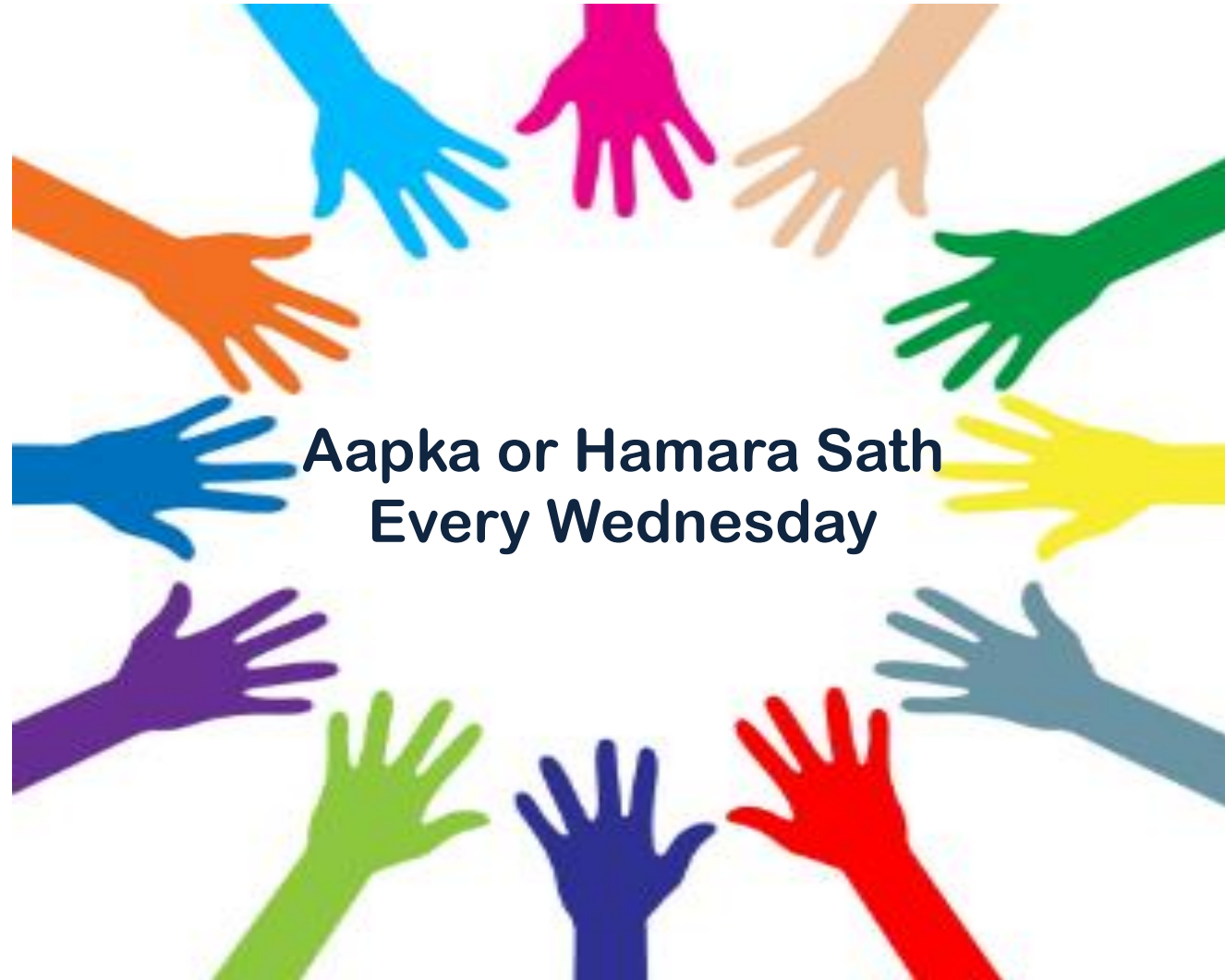


David

Thanks for all the information. I really appreciate it.



# Thank You



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Comments

Feedbacks

Suggestions



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

<https://jainshrimal.com/>



International Tax Gyan  
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