

FAQ FOR FCNR (B) ACCOUNT

Q: Who is an NRI?

A: An NRI is an Indian citizen who stays outside India:

- (a) for purposes of carrying out employment or any business or vocation;
- (b) under circumstances indicating an intention to stay outside India for an uncertain duration
- (c) any Indian citizen deputed outside India for a temporary period in connection with employment.

Q: Who is a PIO?

A: A citizen of a foreign country (other than a citizen of Bangladesh or Pakistan) is a PIO
If

- (a) he/ she at any time held an Indian passport; OR
- (b) he/ she or either of his/ her parents or any of his/ her grandparents was a citizen of India or
- (c) spouse (not being a citizen of Bangladesh or Pakistan) of an Indian citizen or (a) or (b) above

Q: How can I open an FCNR (B) Account?

A: You can open an NRE account by downloading the account opening form from our Bank's website, filling it up and mailing it with relevant documents and remittance.

Q: What are the documents that I have to submit to open an FCNR (B) Account?

A: Completed application form signed and attested by your banker/Embassy of India/public notary or any person known to the bank must be accompanied with:

- (a) Copy of passport
- (b) Copy of Visa
- (c) Latest Overseas bank statement in original, latest overseas telephone/electricity bill in original as residential proof.

Q: Can I open my account in any currency?

A: FCNR (B) account can be opened in Dena Bank in USD, GBP, EURO, CAD, and AUD

Q: What are the types of account in FCNR (B) account?

A: Only Term deposits can be maintained in FCNR (B) account.

Q: What are the periods of Term Deposits?

A: FCNR (B) Term deposits can be maintained for 1 to 5 years.

Q: Are my FCNR (B) Account funds repatriable?

A: Yes, the FCNR (B) Account funds are freely repatriable.

Q: Are they taxable in India?

A: No, it is exempted from income tax and wealth tax

Q: Can I have joint holders for my FCNR (B) Account?

A: FCNR (B) account holders can have joint account only with Non Resident Indians.

Q: Can I have a nominee for my FCNR (B) account?

A: Yes, nomination facility is available for FCNR (B) account.

Q: Can I have a resident Power of Attorney?

A: Yes.

Q: Can Power of Attorney holder in India on behalf of a NRI open/close account?

A: No

Q: Can resident Power of Attorney holder operate on the FCNR accounts?

A: Yes, provided such operations are restricted to withdrawals for local payments. In case where the account holder is eligible to make investments in India, the power of attorney may be permitted by authorized dealer branch to operate the account to facilitate such investments.

Q: Can resident Power of Attorney holders repatriate funds held in the FCNR account out of India?

A: The resident Power of Attorney holders shall not be allowed to repatriate outside India funds held in the FCNR account under any circumstances other than to the account holder himself nor to make payment by way of gift to a resident on behalf of the account holder or transfer funds from the account to another NRE account.

Q: Can I get loans against my FCNR (B) Term deposits?

A: Yes, you can get up to 85 % of your Term deposits as loan. The maximum limit is Rs.20 lakhs as per RBI guidelines. The loan cannot be used for the purpose of re-lending, carrying on agricultural/plantation activities or for investment in real estate business. Loans against FCNR (B) fixed deposits can, however, be utilized for investments in India on non-repatriable basis, in certain specified areas and for acquisition of flats/houses subject to prescribed conditions.

Q: Can I close my FCNR (B) Term deposits pre-maturely?

A: Yes, FCNR (B) Term deposits can be closed pre-maturely. If the deposit has run for a Period of less than 1 year, no interest is payable and if it has run for a period more than 1 year, interest rate as on the date of deposit or on the date of closure, for the Period run, whichever is less, minus 1 % penalty is payable. However, if the deposit is closed before maturity for the purpose of renewal, to avail the benefit of increase in rate of interest, for a period more than an expired period and renewed under the same scheme and same currency, no penal interest be charged.

Q: What is the status of FCNR account on the return of the account holders to India?

A: On the return of account holders in India, deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by him. However, excepts the provisions relating to rate of interest and reserve requirements as applicable to FCNR(B) deposits, for all other purposes such deposits shall be treated as resident deposits from the date of return of the account holder to India. FCNR(B) deposits are converted into resident rupee deposits accounts or RFC accounts(if the account holder is eligible for maintaining RFC account) at the option of the account holder and interest on the new deposit (rupee account or RFC account) shall be payable at the relevant rates applicable for such deposits.