

BHARAT SCHOOL OF BANKING

Non Residential Indians (NRI) Accounts

Non-Resident Ordinary (NRO)

You are a citizen of India. You work here, and you have a good income. Now suppose, you want to move to a **foreign** country (for whatever purpose) (meaning you are going to be an **NRI**). Then what will you do to for your **Indian earnings**, like **rent, dividends**? Or may be you want to send **remittances** from foreign country. Then the handy account for you is **Non-Resident Ordinary (NRO) Rupee Account**.

The **balance** maintained in this type will be **Rupee (INR)** dominated. You can open **Savings, Current, Fixed, Term** - types of account.

Non-Resident External (NRE)

You are already an **NRI**. You have **foreign currency** with you. You can open this type of **NRE Account**. Note that you have to deposit **foreign currency** while **opening** this account (can use **traveler'scheque** or **notes**).

The **balance** will be maintained in **Rupee (INR)**. This will facilitate mostly in your **remittances** to India. You have several options or opening **Savings, Current, Fixed, Term** accounts.

Foreign Currency Non-Resident Bank (FCNR(B))

This is another type of account for **NRIs** and almost similar to **NRE** account. However there are some major differences -

- You can only maintain your **FCNR(B)** account in **foreign currencies** (like, Pound, Dollars, Euro, Yen, etc)
- Only one type of **deposit** is allowed - **term deposit of 1 to 5 year** maturity.

Now, try to compare these three types of accounts -

	Non-Resident (Ordinary) Rupee Account (NRO)	Non-Resident (External) Rupee Account (NRE)	Foreign Currency Non-Resident (Bank) Account (FCNR(B))
Currency	Rupee Denominated (INR)	Rupee Denominated (INR)	USD, Pounds, Euro, Yen, etc.

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Who can open?	NRI , Resident before becoming an NRI	NRI	NRI
A/c type	CASA, Fixed/Term	CASA, Fixed/Term	Only Fixed/Term
Purpose	To park Indian earnings , like rent , Indian salary, dividend , etc.	To park overseas savings remitted to India by converting to INR	To maintain account in foreign currency . Only term deposit of 1 to 5 years
Repatriation	Only interest on NRO account balance (after deducting TDS)	Yes	Yes
Tax	Taxed as per applicable slab rate	Tax free	Tax free