

Compliances & Actions to be taken consequent upon change of residential status under FEMA by an individual from 'Non-resident' / 'Person Resident outside India' / 'Non-Resident Indian (NRI)' to Person Resident in India' / 'Resident'

S. No.	Institution / Authority		Steps taken/ Intimation
1.	Bank/Authorised Dealer	NRO/NRE/FCNR(B) Accounts	<p><i>It is the first formal recognition one gets as Resident. In addition to immigration entry on passport.</i></p> <p>Re-designate NRO Account to Resident Rupee Account - as per prescribed procedure by respective bank.</p> <p>Option to convert existing Non-Resident External (NRE) account to either Resident rupee account, or to Resident Foreign Currency (RFC) account.</p> <p>Foreign Currency Bank [FCNR (B)] Term Deposits till maturity at the contracted rate and on maturity the same may be converted to Resident Foreign Currency (RFC) Account or to Resident rupee account - as per prescribed procedure in each case.</p>

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		<p><u>Impact of change of resident status - From Non-Resident to Resident - of the NRE account, FCNR(B) account and NRO account holder - Foreign Exchange Management (Deposit) Regulations, 2016:</u></p> <p>NRE accounts: NRE accounts should be re-designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts (if the account holder is eligible for maintaining RFC account) at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or for carrying on business or vocation or for any other purpose indicating intention to stay in India for an uncertain period.</p> <p>Where the account holder is only on a short visit to India, the account may continue to be treated as NRE account even during his stay in India.</p> <p>FCNR(B) deposits: When an account holder becomes a person resident in India, deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by him. However, except 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. Authorised dealers should convert the FCNR(B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open 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.</p>

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		<p>NRO accounts: NRO accounts may be re-designated as resident rupee accounts on the return to the account holder to India for taking up employment, or for carrying on business or vocation or for any other purpose indicating his intention to stay in India for an uncertain period. Where the account holder is only on a temporary visit to India, the account should continue to be treated as non-resident during such visit.</p> <p><u>RFC Account facilitate returning NRIs/PIOs:</u> Returning NRIs /PIOs/OCIs may open, hold and maintain with an authorised dealer in India a Resident Foreign Currency (RFC) Account to transfer balances held in NRE/FCNR(B) accounts.</p> <p>Proceeds of assets held outside India at the time of return, can be credited to RFC account.</p> <p>The funds in RFC accounts are free from all restrictions regarding utilisation of foreign currency balances including any restriction on investment in any form outside India.</p> <p>RFC accounts can be maintained in the form of current or savings or term deposit accounts, where the account holder is an individual, and in the form of current or term deposits in all other cases.</p> <p>RFC accounts are permitted to be held jointly with the resident close relative(s) as defined in the Companies Act, 1956 as joint holder(s) in their RFC bank account on 'former or survivor basis'. However, such resident Indian close relative, now being made eligible to become joint account holder shall not be eligible to operate the account during the life time of the resident account holder.</p>

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2.	Income Tax Department	PAN	File 'Form for changes in PAN data' for amending residential address/residential status
3.	Company/ MCA	Continuation as a Director	File Form No. DIR-6 with MCA for Intimation of change in particulars of Director for residential address/residential status
4.	Company	Holding shares/securities in physical form	Inform change in status: (i) Nationality (ii) Indian address (iii) Date of returning/ entering India (iv) Number of shares/securities held and their face value (v) Name and branch of the bank where the bank account is maintained, giving bank account number etc.
5.	Depository Participant	Holding shares in Demat form	<p>Inform change in status (as per prescribed procedure):</p> <p>A new Demat account in the resident status may have to be opened, Securities will be transferred from the NRI Demat account to resident account on closure of the NRI Demat account – as per prescribed procedure.</p> <p>NRI Demat account under the Portfolio Investment Scheme will be discontinued, and shares/ units/ securities transferred to the domestic depository account.</p> <p>NRE account designated as an NRE (PIS) Account to be re-designated as domestic rupee account.</p>

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6.	LLP/Firm	Continuation as a Partner/Designated Partner/ Working Partner	Inform change in status
7.	Companies/LLPs/Partnership Firm/Proprietorship firm/ Authorised Dealer/ Authorised Bank	Placing of Deposits/ Loan/ Advances	<p>Inform change in status</p> <p>Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 - FEMA 3(R):</p> <p>In case a loan was granted by a NRI/OCI Cardholder to a person resident in India in accordance with the provisions contained in these regulations and the lender subsequently becomes a resident, the repayment of the loan may be made to the designated account of the lender maintained with a bank in India as specified by the Reserve Bank from time to time, at the option of the lender</p> <p>A resident individual will be permitted to service loans taken overseas earlier as a person resident outside India subject to terms and conditions and limit as specified by the Reserve Bank from time to time.</p>

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8.	Trust	Trustee/ Beneficiary	<p>Inform change in status to the Trust/Trustees.</p> <p>All bank accounts, investments in share/ securities/ units of mutual funds etc. where the name of Trustee appears as Non-Resident will need to be changed to Resident.</p>
9.	HUF	Karta of HUF	Inform change in status
10.	Mutual Funds/ Government securities	Holds any Units/ Bonds etc.	Inform change in status
11.	PPF Account	Continue to subscribe to PPF account	<p>Inform change in status</p> <p>Can open new PPF account if does not have one.</p>
12.	Insurance Company	Holding Insurance Policy	<p>Inform change in status</p> <p>Refer FEM (Insurance) Regulations, 2015, & Master Directions on Insurance</p>
13.	GST Department, etc.	If individual is registered as self/as proprietorship concern	Inform change in status

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14.	Aadhaar Card		Get the status amended
15.	Arms Licence		Get the status amended
16.	Liquor Licence		Get the status amended
17.	Foreign assets & liabilities	Reporting in ITR filed in India	Only by a person Resident in India, and not by person 'not ordinarily resident' or a 'non-resident' as defined under the Income-tax Act, 1961. Status under FEMA is not relevant.
<p>Reporting in ITR filed in India:</p> <ul style="list-style-type: none"> - A. Details of Foreign Bank Accounts held (including any beneficial interest) at any time during the previous year - B. Details of Financial Interest in any Entity held (including any beneficial interest) at any time during the previous year - C. Details of Immovable Property held (including any beneficial interest) at any time during the previous year - D. Details of any other Capital Asset held (including any beneficial interest) at any time during the previous year - E. Details of account(s) in which you have signing authority held (including any beneficial interest) at any time during the previous year and which has not been included in A to D above - F. Details of trusts created under the laws of a country outside India, in which you are a trustee, beneficiary or settlor - G. Details of any other income derived from any source outside India which is not included in- (i) items A to F above and, (ii) income under the head business or profession <p>Refer latest ITR form and CBDT instructions.</p>			

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18.	Indian currency, Indian security or any immovable property situated outside India	Section 6(4) of FEMA 1999 read with RBI/2013-14/440 / A.P. (DIR Series) Circular No. 90 January 9, 2014	A person resident in India may hold, own, transfer or invest in foreign currency, foreign security or any immovable property situated outside India if such currency, security or property was acquired, held or owned by such person when he was resident outside India <i>or</i> inherited from a person who was resident outside India.
	<p>Master Direction – Miscellaneous - Updated as on November 12, 2018: Repatriation of income and sale proceeds of assets held abroad by NRIs who have returned to India for permanent settlement and repatriation of income and sale proceeds of assets acquired abroad through remittances under Liberalised Remittance Scheme – Clarification</p> <p>(a) in terms of sub-section 4 of Section (6) of FEMA, a person resident in India is free to hold, own, transfer or invest in foreign currency, foreign security or any immovable property situated outside India if such currency, security or property was acquired, held or owned by such person when he was resident outside India <i>or</i> inherited from a person who was resident outside India.</p>		

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			<p>(b) Sub-section 4 of Section (6) of FEMA covers the following transactions:</p> <ul style="list-style-type: none"> i. Foreign currency accounts opened and maintained by such a person when he was resident outside India; ii. Income earned through employment or business or vocation outside India taken up or commenced while such person was resident outside India, or from investments made while such person was resident outside India, or from gift or inheritance received while such a person was resident outside India; iii. Foreign exchange including any income arising therefrom, and conversion or replacement or accrual to the same, held outside India by a person resident in India acquired by way of inheritance from a person resident outside India. iv. A person resident in India may freely utilise all their eligible assets abroad as well as income on such assets or sale proceeds thereof received after their return to India for making any payments or to make any fresh investments abroad without approval of Reserve Bank, provided the cost of such investments and/ or any subsequent payments received therefore are met exclusively out of funds forming part of eligible assets held by them and the transaction is not in contravention to extant FEMA provisions. <p>(b) an investor can retain and reinvest the income earned on investments made under the Liberalised Remittance Scheme.</p>