

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

S. No.	Institution / Authority		Steps taken/ Intimation
1.	Bank / Authorised Dealer	Savings bank / Term deposit / Current account	<p><b><i>It is the first formal recognition one gets as Non-Resident.</i></b></p> <p><b>Re-designate</b> the existing resident savings bank account as Non-resident Ordinary (<b>'NRO'</b>) Account - as per prescribed procedure by respective bank.</p> <p><b>New banking accounts</b> viz. Non-Resident External (<b>NRE</b>)/ Foreign Currency Bank [<b>FCNR (B)</b>] Account, can also be opened.</p> <p>Any balances held in Exchange Earner's Foreign Currency (EEFC) account of the Resident may be credited to NRE/ FCNR (B) Accounts, at the option/ request of the account holder.</p> <p>Any balances held in <b>Resident Foreign Currency (Domestic)</b> Account may be credited to NRE/ FCNR (B) Account, at the option/ request of the account holder.</p>
			<p><b>Change of Resident Status</b> of Account holder - From Resident to Non-resident: When a person resident in India <b>leaves India for a country</b> (other than Nepal or Bhutan) for taking up employment, or for carrying on business or vocation outside India or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing account should be <b>designated as a Non-Resident (Ordinary) account</b>. Schedule 3 - [See Regulation 5(1) (iii)] - FEM (Deposit) Regulations, 2016.</p>

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2.	Income Tax Department	PAN	File ' <b>Form for changes in PAN data</b> ' for amending overseas residential address/residential status
3.	Company/ MCA	Continuation as a Director	File Form No. <b>DIR-6</b> with MCA for Intimation of change in particulars of Director for overseas residential address/residential status  Change designation from Managing Director/ Whole-time Director to Director to avoid getting covered under the category as taking up employment in India or carrying on in India a business or vocation in India. This will depend upon facts of each case.
4.	Company	Holding shares/securities in physical form	Inform change in status: (i) Nationality (ii) Foreign address (iii) Date of becoming Non-Resident (iv) Number of shares/securities held (v) Name and branch of the bank where the NRO bank account is maintained, giving bank account number details etc.



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5.	Depository Participant	Holding shares in Demat form	<p>Inform change in status (as per prescribed procedure):</p> <ul style="list-style-type: none"> <li>- A new <b>Demat account</b> in the non-resident status may have to be opened.</li> <li>- Securities will be transferred from the resident <b>Demat account</b> to non-resident Demat account on closure of existing resident Demat account.</li> </ul> <p><b>NRE (PIS)</b> Account may be opened for transactions under the Portfolio Investment Scheme for purchase/ sale of Capital Instruments of listed Indian companies on recognised stock exchanges in India on repatriation basis – Schedule III of NDI Rules.</p>
6.	LLP/Partnership Firm	Continuation as a Partner	<p>Inform change in status.</p> <p>Change designation from <b>Designated Partner/ Working Partner</b> to Partner to avoid getting covered under the category as carrying on in India a business or vocation in India.</p>

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7.	Companies/LLPs /Partnership Firm/ Proprietorship firm/ Authorised Dealer/ Authorised Bank	Placing of Deposits/ Loan/ Advances	<p>Inform change in status</p> <p><b>Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 - FEMA 3(R):</b></p> <p>An authorised dealer /authorised bank, may allow continuance of loans granted to a <b>resident individual who subsequently becomes a person resident outside India</b>, subject to such terms and conditions as specified by the Reserve Bank from time to time.</p> <p>In case a loan was granted by a resident individual to another resident individual and the <b>lender subsequently becomes a non-resident</b>, the repayment of the loan by the resident borrower should be made by credit to the NRO account or any other 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>



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8.	<b>Trust</b>	As Trustee/ Beneficiary	<p>Inform change in status to the Trust/Trustees.</p> <p><b>A person domicile abroad is not a proper person to be appointed as a Trustee</b> (section 60 of the Indian Trust Act, 1882). Sections 6 to 18 of the Succession Act, 1925 lays down as to what is meant by domicile.</p> <p>All bank accounts, investments in shares/ securities/ units of mutual funds etc. where the name of Trustee appears as Resident will need to be changed to Non-Resident status.</p> <p>There may be implications on Non-Resident Trustee becoming a Trustee in Indian Trust.</p> <p>Under section 73 of the Indian Trust Act, 1882, whenever <b>any person appointed a trustee is for a continuous period of six months absent from India, or leaves India for the purpose of residing abroad, a new trustee may be appointed in his place by</b> (a) the person nominated for that purpose by the instrument of trust (if any), or (b) if there be no such person, or no such person able and willing to act, the author of the trust if he be alive and competent to contract, or the surviving or continuing trustees or trustee for the time being, or legal representative of the last surviving and continuing trustee, or (with the consent of the Court) the retiring trustees, if they all retire simultaneously, or (with the like consent) the last retiring trustee. Every such appointment shall be by writing under the hand of the person making it.</p>

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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 till its maturity on Non-Repatriation Basis	<b>NRIs cannot open a fresh PPF account.</b>
12.	Insurance Company	Holding any Insurance Policies	Inform change in status  Refer <b>FEM (Insurance) Regulations, 2015</b> , & Master Directions on Insurance
13.	GST Department, etc.	If individual is registered as self/as proprietorship concern	Inform change in status
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	<b>Reporting in ITR filed in India</b>	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.  <b>Status under FEMA is not relevant.</b>



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S. No.	Institution / Authority		Steps taken/ Intimation
			<p>Reporting in ITR filed in India:</p> <ul style="list-style-type: none"> <li>- A. Details of <b>Foreign Bank Accounts</b> held (including any beneficial interest) at any time during the previous year</li> <li>- B. Details of <b>Financial Interest in any Entity</b> held (including any beneficial interest) at any time during the previous year</li> <li>- C. Details of <b>Immovable Property held (including any beneficial interest)</b> at any time during the previous year</li> <li>- D. Details of any <b>other Capital Asset</b> held (including any beneficial interest) at any time during the previous year</li> <li>- E. Details of account(s) in which you have <b>signing authority</b> held (including any beneficial interest) at any time during the previous year and which has not been included in A to D above</li> <li>- F. Details of <b>trusts</b>, created under the laws of a country outside India, in which you are a <b>trustee, beneficiary or settlor</b></li> <li>- G. Details of any <b>other income derived from any source outside India</b> which is not included in- (i) items A to F above and, (ii) income under the head business or profession</li> </ul> <p>Refer <b>latest ITR form and CBDT instructions.</b></p>
18	Indian currency, Indian security or any immovable property situated in India	Section <b>6(5)</b> of FEMA 1999	A person resident outside India may hold, own, transfer or invest in Indian currency, security or any immovable property situated in India if such currency, security or property was acquired, held or owned by such person when he was resident in India <u>or</u> inherited from a person who was resident in India.