



# GLOBAL CONNECT

NRI Newsletter | October 2022

## WORLD-CLASS BANKING FOR GLOBAL ACHIEVERS



# MANAGING DIRECTOR'S MESSAGE



**DEAR NRI PATRONS,**

## ***SEASON'S GREETINGS AND WARM WISHES.***

I have immense pleasure in staying connected with you through this newsletter.

In our 67 years of ardent journey, State Bank of India, could earn the trust of millions across the world. It is this trust which has enabled us to grow from strength to strength.

Our motto is to provide excellent customer service with the help of our 436 specialised and intensive NRI Branches. Our digitisation journey is an ongoing process, as going digital is the need of the hour.

We are pleased to inform that the most awaited demand of our NRI customers of getting OTP over email in addition to SMS has been rolled out. Now the customers, who were facing challenges in getting OTP over phone while being abroad or travelling, will now be able to do transactions through digital channel easily.

Recently we have improved our rates on FCNR(B) deposits. You may reap the benefit of higher returns on your investment by remitting your foreign currency funds to India and keep deposits with us.

We are sanguine that you will continue to bank with us. Being a Brand Ambassador of our Bank, we trust that you will share your experience with your near and dear ones to strengthen your Bank further.

We will continue to strive for maintaining digital leadership with constant innovations to provide an unmatched customer experience. We thank you for your continued patronage.

**Stay Safe, Stay Healthy.**

**Alok Kumar Choudhary**  
**Managing Director**  
**(Retail Banking & Operations)**

# INDEX

| <b>Sl</b> | <b>Inside the issue</b>                        | <b>Pages</b> |
|-----------|--|--------------|
| <b>1</b>  | <b>News from India</b>                         | <b>1 - 2</b> |
| <b>2</b>  | <b>Do You Know</b>                             | <b>3 -7</b>  |
| <b>3</b>  | <b>NRI Products and Services</b>               | <b>8</b>     |
| <b>4</b>  | <b>News from Foreign Offices</b>               | <b>9</b>     |
| <b>5</b>  | <b>Interest Rates</b>                          | <b>10</b>    |
| <b>6</b>  | <b>Address of different site and our email</b> | <b>11</b>    |



# NEWS FROM INDIA

## INDIA TOP COUNTRY FOR SENDING STUDENTS TO THE US FOR HIGHER EDUCATION

Minister Counsellor for Consular Affairs US Embassy in New Delhi has said that US diplomatic missions in India issued a record breaking 82000 student visas between May-June 2022 i.e. more than to any other country in the world. This year, India is the number one country for sending students to US colleges and Universities.

## GLIMPSE OF NRI MEET: CONDUCTED ACROSS INDIA IN THE MONTH OF AUGUST'2022



## NUMBER OF NRIs ACROSS THE GLOBE ROSE 18 % TO 13.4 MILLION BETWEEN 2015-2018

In reply to a Question in Lok Sabha, the government informed the parliament that an estimated 13.5 million Indian nationals reside in various countries in 2021, of which 8.8 million were in Gulf.

## RBI NOTIFICATION: LIBERALISATION OF FOREX FLOWS

For increasing forex inflows in country, RBI has announced measures on 06.07.2022, which is valid till 31.10.2022. On account of this, improved interest rates on FCNR(B) and NRE deposits have been extended to NRI customers.



# NEWS FROM INDIA

## **NPS FOR NRIs**

National Pension System (NPS) is a defined contribution pension system introduced by the Government of India as part of Pension Sector reforms, with an objective to provide social security to all citizens of India. It is administered and regulated by PFRDA.

## **FEATURES OF NPS SCHEME**

- **All Indian Citizen (including NRIs) between 18-70 years can open Pension Account under NPS (Only Tier I/Tier I& Tier II).**
- **Minimum contribution to open a Tier 1 account is ₹500, and ₹1000 for a Tier 2 account.**
- **Maximum Investment: No upper limit**

**Lock in: Till you attain the age of 60.**

### **TIER I:-**

Tier 1 NPS account is primarily meant for retirement savings where subscriber has to make a minimum contribution of ₹500 while opening the account. Under this scheme, one can withdraw up to 60% of the total amount, accumulated after retirement. The remaining 40% of the corpus is utilised to buy annuities to secure a regular monthly income source in the form of a pension.

### **TIER II:-**

NPS Tier 2 is an open-access account where one can opt for with a minimum investment of ₹1000. a subscriber is free to withdraw the amount prematurely to fund various needs. one can either withdraw the entire corpus as a lump sum or go for multiple withdrawals without any limit.

### **PART WITHDRAWALS (TIER-I): -**

- A partial withdrawal of accumulated pension wealth for certain purpose, not exceeding 25 % of the employee contributions, after a lock in period of 3 years.
- Allowed to withdraw only a maximum of three (3) times during the entire tenure subject to conditions prescribed by the Regulator.

### **EXIT OPTION (TIER I)**

#### **ON ATTAINING AGE OF 60 YEARS:**

- Minimum 40 % of the corpus needs to be invested in Annuity Scheme.
- 60 % of the corpus can be commuted/withdrawn in lump sum /staggered anytime up to age of 70 years.
- 40 % of total corpus withdrawn is tax free.

#### **ON ATTAINING AGE OF 60 YEARS:**

- 20 % of the corpus can be withdrawn in lump sum.
- 80 % OF THE CORPUS WILL BE INVESTED IN A 'Annuity Scheme'.

### **NOMINATION: - AVAILABLE**

- NRI subscriber can opt for Repatriation or Non-repatriation. If subscriber opts for repatriation, Bank account should only be NRE and future contributions must also come from NRE account. If NRI subscriber opts for non-repatriation, the future credits will be made in NRO account only. Pension/Annuity will be paid in local currency i.e. INR.

# DO YOU KNOW

## **RESIDENCY STATUS OF NRIs**

The NRI status primarily depends on the period of your stay in India. As per Section 6 of the Income-tax Act, 1961 (ITA), you can be treated as an NRI in any given financial year (FY) provided you are present in India:

- For less than 182 days during that fiscal year, or
- For less than 365 days cumulatively during the preceding four fiscal years and less than 60 days during that fiscal year
- From FY 2020-21, the period of 182 days has been reduced to 120 days for those who are Indian citizens/person of Indian origin, and whose income accruing or arising in India exceeds Rs 15 lakh during that fiscal year. However, if your total taxable income in India is less than Rs 15 lakh during any financial year, then your status would be Non-resident if your stay is for less than 181 days. This is just like in the earlier case.

## **A PERSON SHALL BE DEEMED TO BE A RESIDENT OF INDIA:**

- If he/she is a citizen of India or a person of Indian origin, and
- He/she has no liability to pay tax in any other country, and
- the total income (apart from foreign income sources) is more than Rs 15 lakh, and
- there is no tax liability in other countries or territories by reason of the domicile, residence or any such criteria
- The said rule is effective from 1st April 2020.

## **RESIDENT BUT NOT ORDINARILY RESIDENT (RNOR)**

RNOR is a transitional residential status, which is given prior to you becoming a ROR. NRIs returning to India qualify as an RNOR for any fiscal year provided he/she has been:

- An NRI in 9 out of 10 years preceding the fiscal year under consideration, or
- In India for no more than 729 days during the preceding seven years, or
- He/she is not a tax resident in any other country, and his/her income in India exceeded Rs 15 lakh in the previous year with his/her stay in India ranging from 120 days to 181 days in that particular year. In case an NRI do not fulfil any one of the above-mentioned conditions, status will become an ordinary resident.

| Duration of stay in India                           | Total income (excluding income from overseas) | Residential status |
|---|---|--------------------|
| Stay in India is for 182 days or more               | Exceeds Rs 15 lakh                            | Resident           |
| stay is for 120 days or more but less than 182 days | Exceed Rs 15 lakh                             | RNOR               |
| stay is for 120 days or more but less than 182 days | Below Rs 15 lakh                              | NRI                |
| stay in India for less than 120 days                | Exceeds Rs 15 lakh                            | NRI                |
| stay in India for less than 120 days                | Below Rs 15 lakh                              | NRI                |

# DO YOU KNOW

## FAQ ON NRI TAXATION

### **Q. IS THE RESIDENTIAL STATUS OF A PERSON RELEVANT FOR DETERMINING THE TAXABILITY OF THE INCOME IN HIS HANDS?**

A- Yes, the residential status of a person earning income is very much relevant for determining the taxability of such income in his hands.

Taxability of any income in the hands of a person depends on the following two things:

- (1) Residential status of the person as per the Income-tax Law; and
- (2) Nature of income earned by him.

Hence, residential status plays a vital role in determining the taxability of the income.

### **Q. WHAT ARE THE DIFFERENT CLASSES OF RESIDENTIAL STATUS PRESCRIBED UNDER THE INCOME TAX LAW FOR AN INDIVIDUAL?**

A- For the purpose of Income-tax Law, an individual can have any one of the following residential statuses:

- (1) Resident and ordinarily resident in India (also known as resident)
- (2) Resident but not ordinarily resident in India
- (3) Non-resident

Every year the residential status of the taxpayer is to be determined by applying the provisions of the Income-tax Law designed in this regard (discussed later) and, hence, it may so happen that in one year the individual would be a resident and ordinarily resident and in the next year he may become non-resident or resident

### **Q- WILL A PERSON HOLDING INDIAN CITIZENSHIP BE TREATED AS A RESIDENT IN INDIA FOR THE PURPOSE OF CHARGING INCOME-TAX?**

A- The Finance Act, 2020 has introduced new section 6(1A) to the Income-tax Act, 1961. The new provision provides that an Indian citizen shall be deemed to be resident in India only if his total income, other than income from foreign sources, exceeds Rs. 15 lakhs during the previous year. For this provision, income from foreign sources means income which accrues or arises outside India (except income derived from a business controlled in or a profession set up in India).

However, such individual shall be deemed to be Indian resident only when he is not liable to tax in any country or jurisdiction by reason of his domicile or residence or any other criteria of similar nature.

Thus, from Assessment Year 2021-22, an Indian Citizen earning total income in excess of Rs. 15 lakhs (other than from foreign sources) shall be deemed to be resident in India if he is not liable to pay tax in any country.

“Liable to tax” in relation to a person and with reference to a country means that there is an income-tax liability on such person under the law of that country for the time being in force. It shall include a person who has subsequently been exempted from such liability under the law of that



# DO YOU KNOW

## **Q.-WHICH INCOMES ARE CHARGED TO TAX IN INDIA IN THE HANDS OF A TAXPAYER?**

A- The following chart highlights the tax incidence in case of different persons:.

| Nature of income   | Residential status |           |           |
|--|--------------------|-----------|-----------|
|  | ROR (*)            | RNOR (*)  | NR (*)    |
| Income which accrues or arises in India  | Taxed              | Taxed     | Taxed     |
| Income which is deemed to accrue or arise in India   | Taxed              | Taxed     | Taxed     |
| Income which is received in India  | Taxed              | Taxed     | Taxed     |
| Income which is deemed to be received in India   | Taxed              | Taxed     | Taxed     |
| Income accruing outside India from a business controlled from India or from a profession set up in India | Taxed              | Taxed     | Not taxed |
| Income other than above (i.e., income which has no relation with India)                                  | Taxed              | Not taxed | Not taxed |

## **Q- WHAT INCOMES ARE DEEMED TO HAVE ACCRUE OR ARISE IN INDIA?**

A- Following incomes are treated as incomes deemed to have accrued or arisen in India:

- Capital gain arising on transfer of property situated in India.
- Income from business connection in India.
- Income from salary in respect of services rendered in India.
- Salary received by an Indian national from Government of India in respect of service rendered outside India. However, allowances and perquisites are exempt in this case.
- Income from any property, asset or other source of income located in India.
- Dividend paid by an Indian company.
- Interest received from Government of India.
- Interest received from a resident is treated as income deemed to have accrued or arisen in India in all cases, except where such interest is earned in respect of funds borrowed by the resident and used by resident for carrying on business/profession outside India or is in respect of funds borrowed by the resident and is used for earning income from any source outside India.
- Interest received from a non-resident is treated as income deemed to accrue or arise in India if such interest is in respect of funds borrowed by the non-resident for carrying on any business/profession in India.
- Royalty/fees for technical services received from Government of India.
- Royalty/fees for technical services received from resident is treated as income deemed to have accrued or arisen in India in all cases, except where such royalty/fees relates to business/profession/other source of income carried on by the payer outside India.
- Royalty/fees for technical services received from non-resident is treated as income deemed to have accrued or arisen in India if such royalty/fees is for business/profession/other source of income carried by the payer in India.
- Income arising outside India, being any sum of money referred to in sub-clause (xviiia) of clause (24) of section 2, paid on or after 05-07-2019 by a person resident in India to a non-resident.

# DO YOU KNOW

## PROHIBITED SECTORS/PERSONS FOR FOREIGN INVESTMENT IN INDIA

A. Investment by a person resident outside India is prohibited in the following sectors:

- Lottery Business including Government/ private lottery, online lotteries.
- Gambling and betting including casinos.
- Chit funds, Nidhi company
- Trading in Transferable Development Rights (TDRs).
- Real Estate Business or Construction of farmhouses.

Explanation: For the purpose of this rule, 'real estate business shall not include development of townships, construction of residential or commercial premises, roads or bridges and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations, 2014.

- Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.
- Activities/sectors do not open to private sector investment viz., (i) Atomic energy and (ii) Railway operations
- Foreign technology collaboration in any form including licensing for franchise, trademark, brand name, management contract is also prohibited for lottery business and gambling and betting activities.

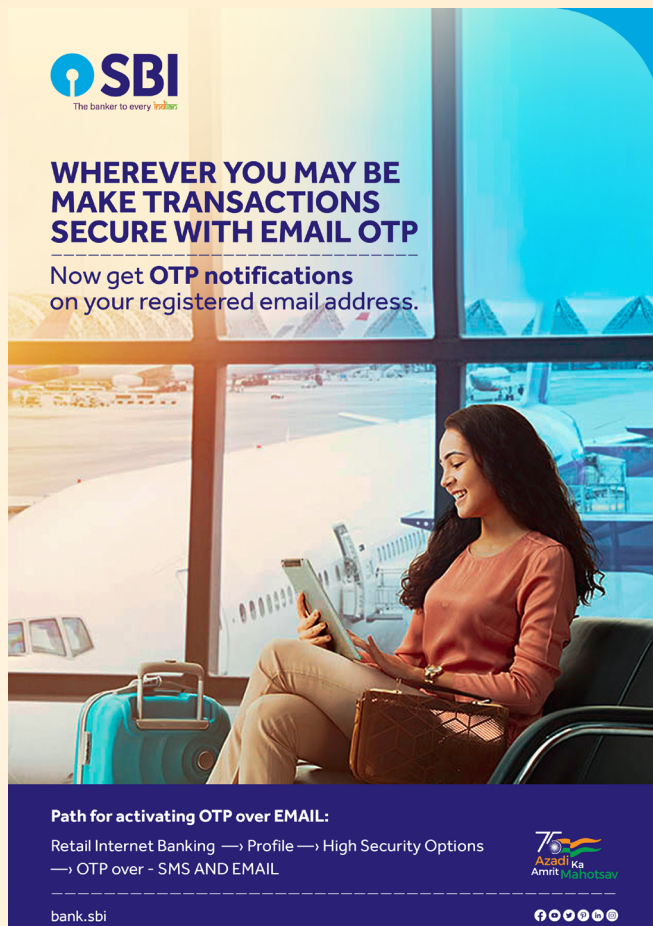
B. Investment under Schedule I of NDI Rules by an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government approval route. [Ref: Press Note No. 3 (2020 Series)]

C. A person who is a citizen of Pakistan or an entity incorporated in Pakistan can, only with the prior Government approval, invest in sectors/ activities other than defence, space, atomic energy and sectors/ activities prohibited for foreign investment.

In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction or purview of (B) and (C) above, such subsequent change in beneficial ownership shall also require government approval.

# NRI PRODUCTS , SERVICES AND INITIATIVES

## WHAT'S NEW



**SBI**  
The banker to every Indian

**WHEREVER YOU MAY BE  
MAKE TRANSACTIONS  
SECURE WITH EMAIL OTP**

Now get **OTP notifications**  
on your registered email address.

**Path for activating OTP over EMAIL:**  
Retail Internet Banking → Profile → High Security Options  
→ OTP over - SMS AND EMAIL

75  
Azadi Ka  
Amrit  
2025

bank.sbi

Facebook, Twitter, LinkedIn, YouTube, Instagram icons



**SBI** | yono SBI

**BE THERE FOR YOUR LOVED ONES ALWAYS,  
EVEN WHEN ABROAD.**

SBI has now partnered with Remitly  
for easy and secured remittance to India.

Superior exchange rates | Immediate credits\*

\*Depending on the mode of transfer

Remitly  
Premiums Delivered

For more details, please visit: <https://www.remitly.com/> | Follow us on: Facebook, Twitter, LinkedIn, YouTube, Instagram icons

## RE-INITIATION OF OTP OVER EMAIL WITH ENHANCED SECURITIES

in addition to OTP through SMS, customers will now receive OTP on their registered email address for their INB transactions. Challenges were being faced by customers in receiving OTP on mobile while travelling or at foreign locations due to network issues. After this additional facility, online transactions will be smoother and hassle free.

## TIE UP WITH REMITLY

SBI has entered tie up with Remitly (An international payments company that leverages digital channels, including mobile phones, to send money internationally) for easy and secured remittance to India



# NRI PRODUCTS , SERVICES AND INITIATIVES

## UPI FACILITY FOR NRI CUSTOMERS

Customer can make their utility bill payment by using UPI Application.

## COMING SOON

- (1) NRI Account Opening through YONO App .
- (2) MOU with SBI Canada: Proposed for NRIs/PIOs/OCIs to make the process easier for NRI/ NRO account opening, Re-KYC and other eligible NRI services .
- (3) Tie up with Flywire: an easy-to-use payment solution to deposit college fee abroad.

## NRI ACCOUNTS AT A GLANCE

| ACCOUNTS                 | NRE   | NRO   | FCNR (B)                                    | RFC  |
|--------------------------|---|---|---|--|
| Purpose of account       | To park overseas earnings remitted to India         | To park current Indian earnings and overseas earnings remitted to India | To park overseas earnings remitted to India | To park funds for returning Indians (for permanent settlement) |
| Currency                 | Rupees  | Rupees  | USD, GBP, EURO, CAD, JPY, AUD               | USD, GBP, EURO   |
| Types of account         | Savings, Current, Fixed Deposits (TDR/ STDR) and RD | Savings, Current, Fixed Deposits (TDR/ STDR) and RD                     | Fixed Deposits (TDR/STDR)                   | Fixed Deposits (TDR/ STDR)                                     |
| Investment Term          | Min: 1 Year<br>Max: 10 Years                        | Min: 7 Days<br>Max: 10 Years  | Min: 1 Year<br>Max: 5 Years                 | Min: 1 Year<br>Max: 3 Years                                    |
| Repatriable of Principal | Freely Repatriable                                  | Up to USD 1 million per financial year (Conditional)                    | Freely Repatriable                          | Freely Repatriable   |
| Repatriable of Interest  | Freely Repatriable                                  | Freely Repatriable subject to deduction of tax                          | Freely Repatriable                          | Freely Repatriable   |

For more details, please refer our branches or our bank website @[bank.sbi/web/nri](http://bank.sbi/web/nri)

# NEWS FROM FOREIGN OFFICES

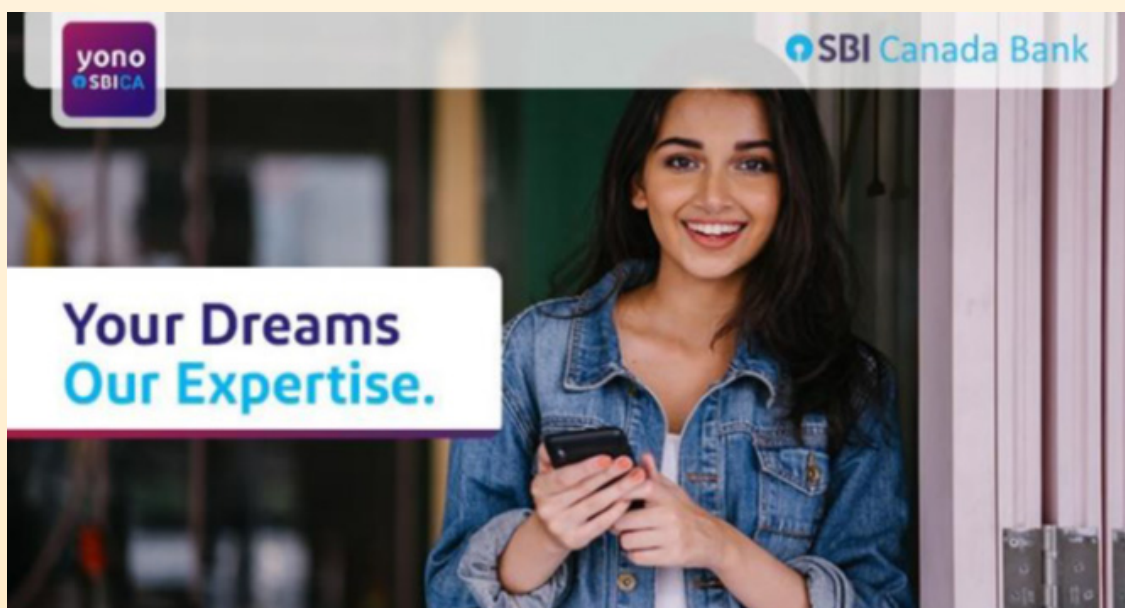
## MOVING TO CANADA

Our digital presence is not limited to Canada as we welcome students and residents arriving in Canada through our mobile banking application. Even before they begin their journey to Canada, we provide them with banking solutions that will ease the process of transitioning their finances to Canada safely and securely.



## STUDENT GICS IN CANADA

Bringing your money over to Canada for school can be a complicated and an intimidating process. With YONO SBICA, we make it simple for students from India to get a student GIC and meet the requirements for their student visa application. Luckily, this process is much simpler than it appears, and you can get a GIC quite easily and be prepared for your studies abroad even quicker than you imagined!



# INTEREST RATES

## FCNR (B) DEPOSIT ACCOUNTS

Effective from 20<sup>th</sup> October 2022, Interest rate on FCNR(B) deposit will be as under:

| FOREIGN CURRENCY NON-RESIDENT (BANKS) A/Cs [FCNR (B)] |                                 |                                  |                                  |                                  |               | RESIDENT FOREIGN CURRENCY (RFC) ACCOUNT |                                 |                                  |                         |
|---|---------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------|---|---------------------------------|----------------------------------|-------------------------|
| Maturities  | 1 yr -<br>less<br>than<br>2 yrs | 2 yrs -<br>less<br>than<br>3 yrs | 3 yrs -<br>less<br>than<br>4 yrs | 4 yrs -<br>less<br>than<br>5 yrs | 5 yrs<br>only | Maturities                              | 1 yr -<br>less<br>than<br>2 yrs | 2 yrs -<br>less<br>than<br>3 yrs | 3 years<br>less<br>only |
| <b>USD</b>  | 4.25                            | 3.45                             | 3.70                             | 3.80                             | 3.90          | <b>USD</b>                              | 4.25                            | 3.45                             | 3.70                    |
| <b>GBP</b>  | 3.70                            | 2.35                             | 2.45                             | 2.45                             | 2.45          | <b>GBP</b>                              | 3.70                            | 2.35                             | 2.45                    |
| <b>CAD</b>  | 3.50                            | 3.00                             | 3.15                             | 3.20                             | 3.25          | <b>EURO</b>                             | 0.50                            | 0.50                             | 0.50                    |
| <b>AUD</b>  | 2.60                            | 2.75                             | 3.00                             | 3.20                             | 3.45          |   |                                 |                                  |                         |
| <b>EURO</b>   | 0.50                            | 0.50                             | 0.50                             | 0.50                             | 0.50          |   |                                 |                                  |                         |
| <b>JPY</b>  | 0.02                            | 0.05                             | 0.05                             | 0.05                             | 0.05          |   |                                 |                                  |                         |

## Interest Rates on NRE Term Deposits (% p.a.) w.e.f. 16th September 2022:

| Maturity period              | NRO                 |                         |
|------------------------------|---------------------|-------------------------|
|                              | Below Rs. Two Crore | Rs. Two Crore and above |
| 1 year to less than 2 years  | 6.50                | 6.50                    |
| 2 years to less than 3 years | 6.00                | 6.50                    |
| 3 years to less than 5 years | 6.15                | 6.25                    |
| 5 years and upto 10 years    | 6.20                | 6.00                    |

## Interest Rates on NRO Term Deposits (% p.a.) :

| Maturity period              | NRO                                       |  |
|------------------------------|---|--|
|                              | Below Rs. Two Crore<br>(w.e.f 22.10.2022) | Rs. Two Crore and above<br>(w.e.f. 13.08.2022) |
| 7 days to 45 days            | 3.00                                      | 3.50   |
| 46 days to 179 days          | 4.50                                      | 4.25   |
| 180 days to 210 days         | 5.25                                      | 4.50   |
| 211 days to less than 1 year | 5.50                                      | 5.00   |
| 1 year to less than 2 years  | 6.10                                      | 6.00   |
| 2 years to less than 3 years | 6.25                                      | 5.25   |
| 3 years to less than 5 years | 6.10                                      | 5.25   |
| 5 years and upto 10 years    | 6.10                                      | 5.00   |



# ADDRESS OF DIFFERENT SITE AND OUR EMAIL

## FOR YOUR INVESTMENT AND LOAN NEEDS, YOU MAY REFER TO FOLLOWING LINKS.

|                    |   |
|--------------------|---|
| SBI Life:          | <a href="https://www.sbilife.co.in/en/services/nri-corner">https://www.sbilife.co.in/en/services/nri-corner</a>       |
| SBI Mutual fund:   | <a href="https://bank.sbi/web/nri/investments/mutual-funds">https://bank.sbi/web/nri/investments/mutual-funds</a>     |
| For Equity Trading | <a href="https://bank.sbi/web/nri/investments/equity-trading">https://bank.sbi/web/nri/investments/equity-trading</a> |
| Home Loan          | <a href="https://bank.sbi/web/nri/loans/home-loan">https://bank.sbi/web/nri/loans/home-loan</a>                       |
| Car Loan           | <a href="https://bank.sbi/web/nri/loans/car-loan">https://bank.sbi/web/nri/loans/car-loan</a>                         |

Please visit our exclusive portal for NRIs at '**NRI Services**' Section of [www.bank.sbi](http://www.bank.sbi) for more details.

### Details of our Global NRI Centre for any customer related queries:

**State Bank of India** - Global NRI Centre: 56/170, 2nd Floor, Panampilly Nagar, Ernakulam, Kerala  
Ph No: 91-484-2326343,91-484-279-6700 **Email ID: [customercare.nri@sbi.co.in](mailto:customercare.nri@sbi.co.in)**

**Phone No of Customer Care-18001234, 1800112211, 18004253800 and 08026599990**

Your feedback is important to us. We welcome your suggestions and views to improve our products and services.

Please write to us at [cm.nri@sbi.co.in](mailto:cm.nri@sbi.co.in)

### **Beware of Phishing:**

SBI does not seek any confidential information through email or over phone. Do not click on any link which has come through email from an unexpected source. It may contain malicious code or could be an attempted phishing attack.

**Disclaimer:** *This Newsletter has been brought out with the sole intention of disseminating useful information to NRIs and does not purport to be a legal document or a solicitation. In case of any variance between what has been stated herein and the relevant Acts/ Rules & Regulations/ Policy Statement / Instructions of the Bank, the latter shall prevail.*