

Who is a Non-Resident Indian (NRI)?

An Indian citizen or a foreign citizen of Indian origin who has stayed abroad for employment/carrying out business or vocation for 182 days or more or under circumstances indicating an intention for an unknown duration of stay abroad is a Non-Resident Indian (NRI). Those who stay abroad on business visits, for medical treatment, study, or such other purposes, which do not indicate an intention to stay there for an indefinite period, are not considered as NRIs.

Who is a Person of Origin?

A Person of Indian Origin means a citizen of any country (other than Bangladesh or Pakistan), if:

- I. He at any time held an Indian passport; or
- II. He or either of his parents or grandparents was a citizen of India; or
- III. He is a spouse of an Indian citizen, or of a person referred to in (I) or (II) above.

Who is a Foreign Institutional Investor (FII)?

FII means an institution established or incorporated outside India, which proposes to make investments in Indian securities and is registered with SEBI.

Can NRIs invest in Indian Mutual Fund schemes?

Yes, HSBC AMC accepts investments from NRI's except from the below mentioned:

- United States Person as defined under the Laws of the United States of America, including, without limitation, the rules and regulations promulgated by the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission
- A person who has elected to be treated as a US tax resident for US federal income tax purposes.
- Persons residing in Canada.
- Persons residing in any Financial Action Task Force (FATF) declared non-compliant country or territory from time to time.

Does an NRI, PIO, FII require any approval from the RBI to invest in mutual fund schemes?

No special approval is required. NRIs/FIIs have been granted a general permission by RBI [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000] for investing in/redeeming units of the schemes subject to conditions set out in the aforesaid regulations.

Can an NRI invest in foreign currency?

An NRI cannot make the investment in foreign currency. He needs to transfer funds in Indian rupees from his NRE/NRO/FCNR bank account in India. Its mandatory for an NRI to maintain a bank account in India to invest in mutual funds.

What are the pre-requisites for NRI mutual fund investments?

To Invest in mutual funds by NRI's, following are mandatory.

- NRI must be KYC compliant/Registered. To check your KYC status Click here<< CVL KRA - © Copyright 2011. All rights reserved with CDSL Ventures Limited, India >>
- NRI must have a NRE (Non-Resident External), NRO (Non-Resident Ordinary) or FCNR (Foreign Currency Non-Repatriable) Account with any Indian Bank
- Residential/Tax status as NRI should be updated on the Income Tax portal.
- FATCA/CRS declaration

How do I complete my KYC formalities?

The duly completed KYC application form << Investor resources - HSBC Mutual Fund India >> along with the requisite documents can be submitted at any of our Investor Service Centers << Branches (hsbc.co.in)>>, with the IPV section completed by your distributor (who is NISM/ AMFI certified) or a scheduled commercial bank or the NRI can visit any of the nearest Investor Service center of AMC with original documents to be verified by the AMC & returned over the counter. Following documents in this regard needs to be submitted along with the application form:

- PAN copy - self & externally attested.
- Passport copy - self & externally attested.
- Photograph
- Present residential address – self & externally attested.
- Overseas address proof – self & externally attested.

What are NRE and NRO accounts?

Non-Resident (External) Rupee (NRE) account is a rupee account from which funds are freely repatriable. It can be opened with either fund remitted from abroad or local funds maintained in NRE/ FCNR accounts, which can be remitted abroad. The deposits can be used for all legitimate purposes. The balance in the account is freely repatriable.

Non-Resident Ordinary Rupee (NRO) account is a rupee account and can be opened with funds either remitted from abroad or generated in India. The amounts in such an account are non-repatriable. However, funds in NRO accounts can be remitted abroad subject to/as per various directives in force at the time of repatriation.

What is FIRC, how is it relevant to NRI's?

FIRC is Foreign Inward Remittance Certificate. This is required to be submitted by NRI's to ascertain the source of funds if from the Investment cheque the account type cannot be ascertained. It's to be noted that Mutual fund Investments cannot be done by third parties.

What is PAN-Aadhar linking & will it be applicable to NRI's?

It is mandated by Income tax authorities to link PAN with Aadhar failing which the PAN becomes inoperative and investments in mutual funds cannot be accepted.

NRI's are exempted from the requirement of PAN-Aadhaar linking. However, they need to update their residential status as an NRI on the Income Tax portal & ensure KYC is not on hold for this reason.

What is FATCA & CRS?

FATCA stands for the Foreign Account Tax Compliance Act. It requires foreign financial institutions (FFI's) to provide the Internal Revenue Service (IRS) with information on certain investments of US persons invested in accounts outside of the US and for certain non-US entities to provide information about any US owners.

CRS stands for Common Reporting Standard (CRS) which is similar to FATCA, is a global level common standard for automatic exchange of financial account information. CRS has been developed by the OECD in close cooperation with the G20 countries and the EU. Under CRS, India has signed a multilateral agreement that would pave the way for effective exchange of financial account information on an automatic basis among signatory countries.

Is it mandatory for NRI to declare FATCA & CRS?

Yes, FATCA & CRS declaration is a part of application form, and this can also be submitted online via our Registrar and Transfer Agents M/s CAMS website. [click here](#) to update the details online.

Can a Power of Attorney (POA) holder invest on behalf of the NRI investor?

Yes, POA holder has the authority to transact on behalf of the investor/NRI. POA holder needs to submit the original POA, or an attested copy duly notarized in original. Attestation of the photocopy of the POA can be done by: The Notary himself or The Branch Manager of the bank where the NRI has his NRE/NRO Bank account. The name and the designation/code of the Bank Manager should be clearly mentioned. The POA document should contain the signature of both the investor and the POA holder. It should also contain a clause empowering the POA holder to invest in securities/mutual funds on behalf of the Investor/NRI. POA holder PAN is mandatory & should be KYC registered/ Verified.

The POA holder's signature will be verified for processing any transaction/request. Please note that a POA holder cannot nominate on behalf of the Investor/NRI.

Can I jointly invest with a resident Indian?

Yes. An NRI investor can have a joint holding with a Resident Indian or a Non-Resident Indian with mode of operation as Jointly or Anyone or survivor.

How can NRI's track their investments & do further transactions?

NRI's can register themselves online through our website/ mobile app and track their investments & do further transactions like additional purchase/ SIP/redemption/ switch etc. Regular communications will be sent to registered email-id with AMC. Transactions/ requests can also be submitted at our Investor Service Centers (ISC) of AMC or CAMS point of services.

How are redemption/ dividend payments made to NRI's?

Redemption/ dividend payments are made through Direct credit/ NEFT/ RTGS. NRI's to ensure complete bank details are updated including IFSC details.

Are there any tax implications for investments done by NRI's?

Tax is deducted at source (TDS) in case of redemptions/ switches. The gains from equity mutual funds are taxable based on the holding period. Short term capital gains attract tax at the rate of 15%. However, Long Term Capital Gains (LTCG), in excess of Rs 1 Lakh, are taxable at the rate of 10%.

In case of debt funds, Short Term Capital Gains are taxable at the rate of 30%. Holding the fund for more than three years will result in 20% tax on the gains with indexation benefit. Long Term Capital Gains on non-listed funds will be taxed at 10% without indexation.

For detailed Tax Reckoner, Click here << [Investor resources - HSBC Mutual Fund India](#) >>. Please consult your tax advisor for further provisions.

When will the TDS certificate be issued?

TDS Certificates (Form 16A) are issued whenever applicable TDS is deducted and dispatched every quarter. TDS certificates are emailed to the registered email id of the Investor and if email id not registered, same will be dispatched to registered address.

Can I change my Tax Status from NRI to Resident Indian & vice versa?

Yes. Duly filled in request for change in tax status<<[Investor resources - HSBC Mutual Fund India](#)>> along with change in bank details to be submitted. Further, it may be noted that If in an NRI folio, purchase investments are vide SB or NRO bank account, the bank account types for redemption can be updated as SB or NRO only. If the purchase investments are made vide NRE account(s), the bank account types for redemption can be updated as SB / NRO / NRE.

How do I contact HSBC MF Customer Service from abroad?

You can reach us on 044 -39923900 on all business days from 8 A.M to 8 P.M, Monday to Friday & 8 A.M to 1 P.M on Saturdays or can write to us on investor.line@mutualfunds.hsbc.co.in