

## DEMAT ACCOUNT REQUIREMENT

### Who is a 'Non Resident Indian (NRI)'?

Non Resident Indians fall under the following broad categories:

- Indian citizens who stay abroad for employment or for carrying on a business or vocation or for any other purpose in circumstances indicating an indefinite period of stay outside India.
- Indian citizens working abroad on assignments with foreign Governments/government agencies or International/Regional Agencies like the UNO, IMF, World Bank, etc.
- Officials of the Central and State Governments and Public Sector Undertakings deputed abroad on temporary assignments or posted to their offices (including Indian Diplomatic Missions) abroad

### Who is a 'Person of Indian Origin' (PIO)?

A citizen of any country (other than a citizen of Bangladesh or Pakistan) is deemed to be of Indian origin, if,

- He, at any time, held an Indian passport, or
- He or either of his parents or any of his grand parents was a citizen of India by virtue of the Constitution of India or Citizenship Act, 1955 ,or
- A spouse (not being a citizen of Bangladesh or Pakistan or Sri Lanka) of an Indian citizen or of a person of Indian origin is also deemed to be PIO.

### Account Opening Procedure:

NRI/PIO can open a demat account with any Depository Participant [DP] of NSDL. The NRI/PIO needs to mention the type ['NRI' as compared to 'Resident'] and the sub-type ['Repatriable' or 'Non-Repatriable'] in the account opening form collected from the DP.

### Points to Remember:

- No permission is required from RBI to open a demat account. However, credits and debits from demat account may require general or specific permissions as the case may be, from designated authorised dealers.
- An NRI does not require special RBI permission for dematerialiation/rematerialisation of securities. Holding securities in demat only constitutes change in form and does not need any special permission. However, only those physical securities which already have the status as NR – Repatriable / NR- Non-Repatriable can be dematerialised in the corresponding Depository Accounts.
- As per section 6(5) of FEMA, NRI can continue to hold the securities which he/she had purchased as a resident Indian, even after he/she has become a non resident Indian, on a non-repatriable basis.
- In case a non-resident Indian becomes a resident in India, will he/she will be required to change the status of his/her holding from Non-Resident to Resident. It is the responsibility of the NRI to inform the change of status to the designated authorised dealer branch, through which the investor had made the investments in Portfolio Investment Scheme and the DP with whom he/she has opened the demat account. Subsequently, a new demat account in the resident status will have to be opened, securities should be transferred from the NRI demat account to resident account and then close the NRI demat account.

- NRI can purchase securities by subscribing to public issue. The issuing company is required to issue shares to NRI on the basis of specific or general permission from GoI/RBI. Therefore, individual NRI need not obtain any permission.

### **Document Required for Account Opening:**

Mandatory for all the categories mentioned below: Bank Details with proof showing MICR Code is mandatory and for MICR Code the cheque leaflet should be collected which shows name of client printed on cheque. In case name is not appearing on cheque leaf then additional document like pass book/Bank Statement duly attested by bank with Banks Stamp and Authorized Signatories sign or a letter from Bank on Banks Letter Head showing Bank Account Number, Name of Account Holder(s), MICR Code should accompany the cheque Leaflet .

Address Proof – Any One of The Following – Required for all the holders

- Photocopy of Ration Card.
- Photocopy of Bank Pass Book/Statement not older then 6 Months, Banks stamp and bank officials sign on the statement and passbook first page is a must under any circumstances.
- Photocopy of Valid Driving License.
- Photocopy of Election ID Card
- Photocopy of Valid Passport.
- Photocopy of Telephone Bill not older than 2 months
- Photocopy of Electricity Bill not older than 2 months
- Photocopy of Lease & License Agreement(As Correspondence address) / Agreement of sale(Both Correspondence and Permanent Address)
- Letter from Employee on Company's Letter Head stating the Address and duly certified by Senior Official of the Company.
- Photocopy of Identity Card / Document with address, issued by:
  - Central / State Government and its Departments,
  - Statutory / Regulatory Authorities,
  - Public Sector Undertakings,
  - Scheduled Commercial Banks,
  - Public Financial Institutions,
  - College affiliated to universities; and
  - Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their members.

If the Correspondence Address and Permanent Address is different, provide proof for both addresses. In case Correspondence Address is not in name of 1<sup>st</sup> holder then Permanent Address is mandatory and should be in name of 1<sup>st</sup> Holder. In case of Lease Agreement or any Temporary Address in name of 1<sup>st</sup> holder then, Permanent Address in name of 1<sup>st</sup> holder is Mandatory.

### **Additional Documents for NRIs**

- Photocopy of Passport
- Proof of Foreign address any one of above documents
- PINS(RBI Permission) is required for any NRI client
- Proof of Indian Address ( If any ) any one of above documents, in case of NRI without repatriation proof of Indian address has to be given.
- NRO / NRE bank account proof either statement (not older then 6 months) or Passbook. Same must be with Banks stamp and sign of bank official.