

Remittance of Assets

These FAQs attempt to put in place the common queries that users have on the subject in easy to understand language. However, for conducting a transaction, the Foreign Exchange Management Act, 1999 (FEMA) and the Regulations made or directions issued thereunder may be referred to. The relevant principal regulations are the Foreign Exchange Management (Remittance of Assets) Regulations, 2016 issued vide [Notification No. FEMA 13 \(R\)/2016-RB dated April 01, 2016](#). The directions issued are consolidated in the [Master Direction No 13 on Remittance of Assets](#).

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Q1. What is meant by Remittance of Assets?

Answer: 'Remittance of assets' means remittance outside India of funds representing a deposit with a bank or a firm or a company of:

provident fund balance
superannuation benefits
amount of claim or maturity proceeds of Insurance policy
sale proceeds of shares, securities, immovable property or any other asset held in India

Q2. What are the assets out of/ from which funds may be remitted and by whom?

Answer:

A foreign national of non-Indian origin (other than Nepal/ Bhutan/ PIO)	An NRI/ PIO	Indian entity	A branch or office established in India by a person resident outside India
1. The person has retired from employment in India. 2. Inherited assets from a person referred to in Sec 6(5) ¹ of FEMA 3. The person is a non-resident widow/ widower and has inherited assets from her/ his deceased spouse who was an Indian national resident in India. May remit up to USD 1 Million in a financial year	1. From the balances of NRO account – subject to declaration* 2. Sale proceeds of assets 3. Assets acquired from legacy/ inheritance/ deed of settlement May remit up to USD 1 Million in a financial year <i>*Where the remittance is to be made from the balances held in the NRO account, the Authorised Dealer should obtain an undertaking from the account holder stating that "the said remittance is sought to be made out of the remitter's balances held in the account arising from his/ her legitimate receivables in India and not by borrowing from any other person or a transfer from any other NRO account and if such is found to be the case, the account holder will render himself/ herself liable for penal action under FEMA."</i>	Its contribution towards PF/ superannuation fund/ pension for expatriate employee who are resident but not permanently resident.	Remit its winding up proceeds after submission of requisite documents

Q.3 Who is a Resident?

Ans. Resident as defined in Sec 2(v) ² of FEMA, 1999. Further, the onus is on the individual to prove his/ her residential status, if questioned by any authority.

Q.4 What is meant by 'not permanently resident'?

Ans. Not permanently resident means a person resident in India for employment of a specified duration (irrespective of length) or for a specific job duration which does not exceed three years.

Q5. Which are the cases related to Remittance of Assets for which prior approval of RBI is to be sought for effecting the remittance?

Answer: RBI approval is required if:

(i) Remittance is in excess of USD 1,000,000 (US Dollar One million only) per financial year:

on account of legacy, bequest or inheritance to a citizen of foreign state, resident outside India; and by NRIs/ PIOs out of the balances held in NRO accounts/ sale proceeds of assets/ the assets acquired by way of inheritance/ legacy.

(ii) Hardship will be caused to a person if remittance from India is not made to such a person.

Q6. What are the Tax implications in respect of remittance of assets?

Ans. All remittances are subject to payment of taxes as applicable in India – Authorised Dealers are to convince themselves on this aspect.

¹ 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 or inherited from a person who was resident in India.

² Section 2(v): "person resident in India" means-

(i) a person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include-

(A) a person who has gone out of India or who stays outside India, in either case-

for or on taking up employment outside India, or
for carrying on outside India a business or vocation outside India, or
for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period;

(B) a person who has come to or stays in India, in either case, otherwise than-

for or on taking up employment in India, or
for carrying on in India a business or vocation in India, or
for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;

