

# F.A.Q.'s

## F.C.N.R. (B) Deposit Scheme

### **1. What is FCNR (B) A/c?**

- Foreign Currency Non-Resident (Bank) Account.

### **2. Who can open FCNR (B)a/cs?**

- The a/c can only be opened in the name of NRI individuals – single/joint.

### **3. Who is Non-resident Indian / Persons of Indian origin?**

- Those Indian residents, who are in employment, studying and staying permanently abroad and foreign nationals (except of Pakistan and Bangladesh), with their origin in India. **Students proceeding abroad for higher studies are treated as Non-residents.**

### **4. Which type of accounts can be opened under FCNR (B )?**

- Only Term Deposit with maturity of minimum 1 year & maximum 5 years.

### **5. In which currencies these a/cs be opened in our Bank?**

- Pound Sterling, US Dollar, Euro, Canadian Dollar and Australian Dollar. However RBI has permitted 6 currencies (including one Japanese Yen).

### **6. These accounts can be opened with which funds?**

- These accounts can be opened as per depositor's choice, in any of the permitted currencies, with / out of the funds received as foreign inward remittances in convertible currency through normal banking channel. The Foreign Currency Travellers Cheques / Notes may be accepted during temporary visits of the NRI, for credit to account.

### **7. Can these accounts be opened jointly with Indian residents?**

- Yes . NRIs are permitted to open FCNR(B) account with their resident close relative on 'former or survivor' basis.

### **8. Whether nomination is permitted in FCNR (B) Account?**

- Nomination in favour of NRI/PIO or a resident is allowed in the account.

### **9. What are the maturity periods under the scheme?**

- (a) 1 year and above but < 2 years; (b) 2 years and above < 3 years ;  
(c) 3 years and above but <4 years: (d) 4 years and above < 5 years ;  
(e) Five years only.

### **10. Whether interest income from FCNR (B) account is taxable under Income Tax?**

- No. Interest income from FCNR (B) accounts is exempt under IT rules.

### **11. Whether deposit held under FCNR (B) a/cs is taxable under Wealth Tax?**

- No. Deposit held under FCNR (B) a/cs is not taxable under Wealth Tax.

### **12. Whether resident Indian holder of Power of Attorney is permitted to operate the account?**

- Yes. He can give instructions about operations in the account, but can remit the amount abroad only to the account holder.

### **13. Is the addition or deletion of name/s of joint account holders allowed?**

- At the request of all the joint holders, Bank may allow the addition or deletion of name/s of joint account holder/s, as per rules.

**14. Is the amount held under FCNR deposit repatriable?**

- Yes. Funds (Principal & Interest) is fully repatriable in foreign currencies

**15. Is proceeds of the account also repatriable to third parties?**

- Yes. As per the instruction, subject to Bank being satisfied about such repatriations.

**16. Is transfer of funds from existing FCNR (B) NRE a/c to FCNR (B) and vice-versa permitted without the prior approval of RBI?**

- Yes.

**17. What is the manner of payment of interest on FCNR (B) account?**

- a) For deposits up to one year, without any compounding effect,  
b) For deposits for over 1 year, compounding at intervals of 180 days each and thereafter for the remaining actual number of days.

**18. How the interest is to be paid on term deposit maturing on Sundays / holidays / Non-business working days?**

- Bank to pay interest at the originally contracted rate on the deposit amount for above-mentioned days, intervening between the due date and the actual date of payment, on the succeeding working day.

**19. Is there any facility for granting Loan / overdrafts against FCNR (B) Deposits to account holder/ third party?**

- Yes, for permitted purposes, as per RBI guidelines.

**20. What are the restrictions on advances against FCNR (B) deposits?**

- Banks are at present prohibited from granting fresh loans or renewing existing loans in excess of Rupees One crores (Rs.100 Lacs) against FCNR (B) deposits.

**21. How interest is payable on FCNR deposits to NRIs on return to India?**

- Banks may allow FCNR (B) deposits NRIs/PIOs, who return to India for permanent settlement, to continue till maturity at the contracted rate of interest, if desired, as per rules.

**22. Is the premature withdrawal of deposits allowed?**

- Yes. At the request of the depositor, Bank allows premature withdrawal.

**23. Is any penalty levied on pre-mature withdrawal of FCNR (B) deposit?**

- The guidelines, prevailing at the time of premature withdrawal will be applicable.