

# **NRI Account Opening**

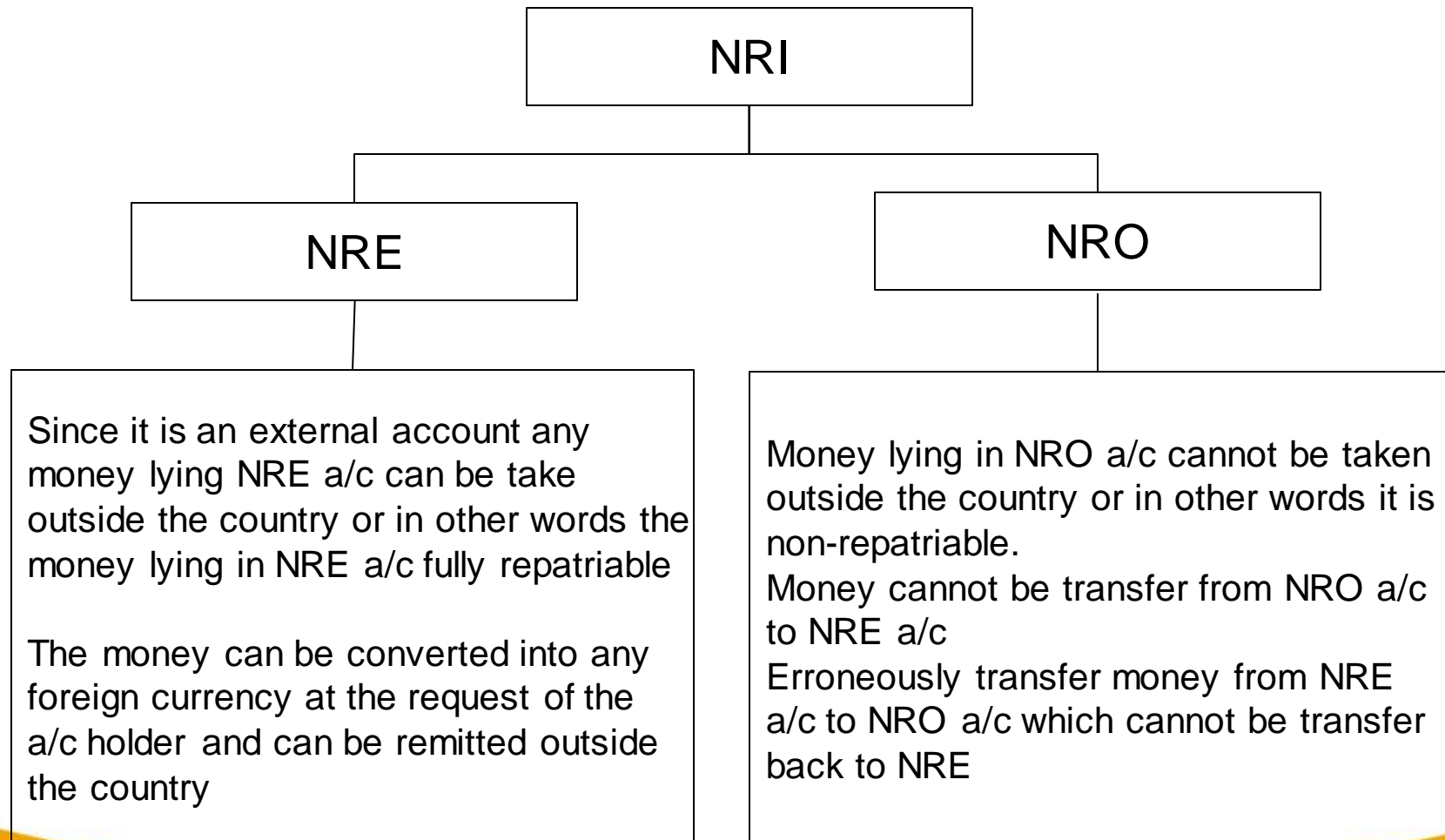
# Who is NRI for Trading

As per FEMA regulation an individual who stays outside India for more than 180 days in a financial year is an NRI – Non Resident Indian

An NRI can open NRE or NRO or both the trading accounts as per the requirement.

Note: NRI from US, Canada, Bangladesh and Pakistan cannot open NRI trading and Demat with MOSL.

# What is NRE and NRO



# What is PIS Account

- Any client wish to open an NRI account should also open NRI Saving & PIS account too for trade & funds settlement purpose
- In MOFSL we have tied up with HDFC Bank, AXIS Bank and YES Bank for Saving & PIS Account
- MOSL provides HDFC bank kit for account opening (Request can be punched in BizOps > Request > Account Opening > Form Request)
- Clients already having Saving and PIS with YES/AXIS bank shall provide PIS Permission Letter to map it with MOFSL NRI Trading account
- Clients already having PIS account with any other bank except banks mentioned above shall be closed and have provide PIS revocation letter
- Client wish to open NRI Trading and NRI PMS together shall opt to open NRI saving and PIS through HDFC bank only
- Client can directly open the Saving and PIS account in any of the bank mentioned above i.e. HDFC, AXIS and YES bank from any location in the world and provide us the PIS letter along with NRI trading account for faster account opening

# What is PIO/OCI Card

- PIO- Person of Indian Origin / Overseas Citizen of India
- In case of foreign passport, where place of birth is not India, then PIO/OCI card or PIO declaration needs to be submitted
- However, if the applicant had ever been a citizen of Pakistan or Bangladesh, he/she will not be eligible for OCI

# Checklist for Account Opening

Basic Documents: (2 copies of each document for MOFSL trading and PIS account)

- Equity Form of MOFSL
- PAN Card
- Valid Passport
- Visa Copy / Resident Card
- Indian Address
- Overseas Address (Bank Statement / Driving License / Electricity Bill / Telephone bill)
- Latest Immigration Copy (within 6 month of last visit to India)
- Rs. 15000/- cheque in favor of "HDFC Bank Ltd (Customer's Name)
- FATCA declaration of MOFSL

Note: Below given additional document is to be collected only if client is maintaining PIS account with HDFC/AXIS/YES bank else you need to collect account opening kit for fresh Saving and PIS Account.

Additional Documents:

- If already having PIS account with HDFC Bank
  1. PIS Letter
  2. POA (Franking with Rs. 500/- and Notary)
  3. POA Covering Letter (2 copies)
  4. HDFC Bank's FATCA Declaration
- If already having PIS account with AXIS / YES Bank
  1. Permission letter for Saving and PIS account

# Checklist for GCC Regions (Gulf Corporation Council)



In keeping a pace with the current market condition and the growing influx of NRI clients based in gulf region, we have come across a comprehensive KYC documents list , required for account activation

GCC comprises of following countries:

UNITED ARAB EMIRATE (UAE) / KINGDOM OF SAUDI ARABIA / QATAR / BAHRAIN / KUWAIT / OMAN

Comprehensive checklist of KYC documents required for NRI DP & Trading Account activation & NRI bank account activation

- PAN
- Valid Passport
- Aadhar Card (Optional)
- Valid Residence Permit
- Valid Resident Identity Card / Civil Id Card
- Overseas Address Proof - Electric Bill/Telephone Bill/ Water Bill / Bank Statement /Driving License
- Latest Immigration On Passport (Arrival & Departure Stamp From India)
- MOFSL FATCA Declaration

## Additional Formalities for Non-FATF countries

Please open below link to check FATF/Non-FATF countries

Link: <http://www.fatf-gafi.org/countries/#FATF>

Countries like Nigeria falls under Non-FATF category where we need to consider below points and accordingly collect the documents

- For address proof to open an account with bank, Indian Address proof is compulsory
- If client wish to map his overseas address then same is possible only in MOFSL DP and not in bank's record
  - Collect address proof on Company's letterhead where client is working in overseas
- All the supporting documents should be:
  1. Verified by bank OR
  2. Attested by Embassy OR
  3. Local Notary in Overseas AND
- If client is present in India at the time of account opening then he/she has to visit respective bank (HDFC/AXIS/YES) where he/she must get IPV done on all the documents



# Points to Keep in Mind

- Name & Signature on Account Opening form should be same as Passport
- In case of sole a/c, nomination form (DA1) compulsory. Name on DA1 should exactly match with the Account Opening form. A/C holder cannot be guardian of minor nominee
- Email Address & Mobile No. is Mandatory
- PAN should be mentioned on Account Opening form
- TIN (Tax Identification Number) details are mandatory in FATCA
- If any document is Non-English, then non-English declaration filled by client himself to be submitted. If more than 1 document, then it should be given with translation by official translator in overseas
- Always take additional signature of client in both the pages of bank form (Blank space at the left corner of bank form)
- NRI client always starts with N series and the same must be generated from Partner Portal > Ops > Deal Entry > PMS > New Entry

# Requesting Account Opening Form for NRI



To request NRI account opening form request please login to <https://motilaloswal.com> > Partner Login > Ops > BizOps. In BizOps > Request > Account Opening > Form Request  
As there are two categories for NRI namely NRE and NRO you need to request form accordingly.

To request for HDFC NRE and NRO form request select MOSL in Company for Franking  
HDFC NRE and NRO kit contain

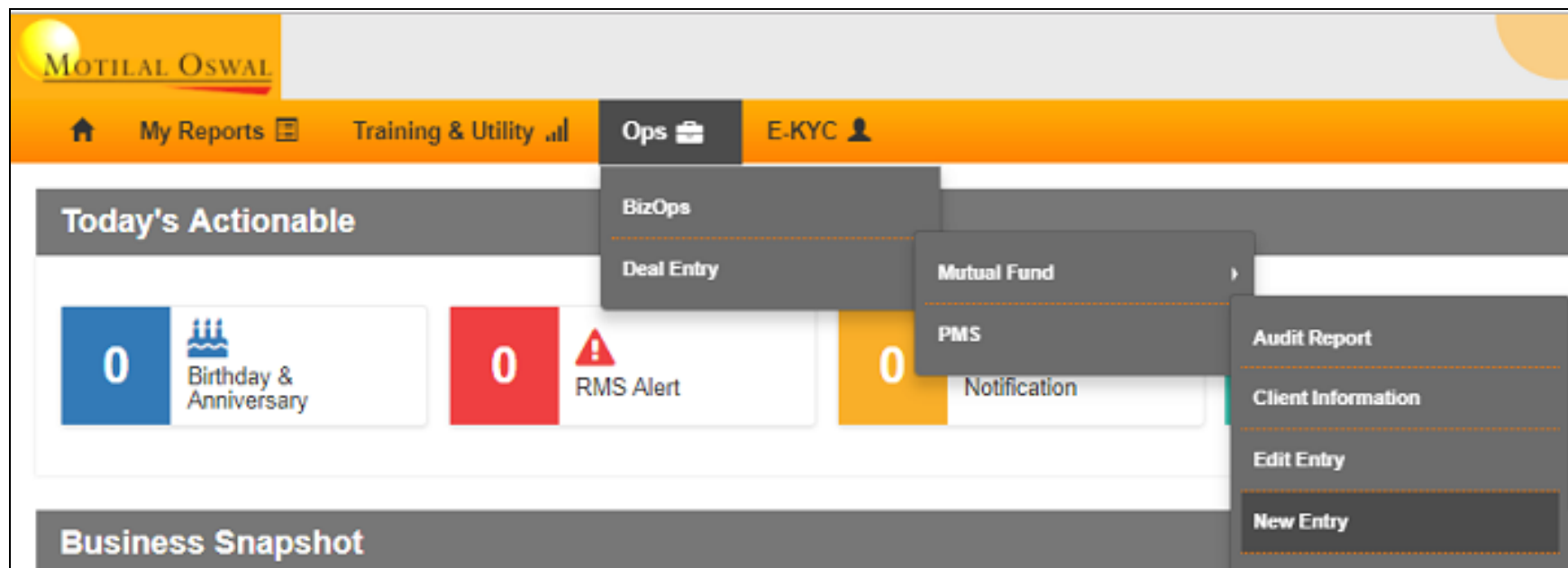
- MOFSL Trading and DP account along with POA
- HDFC Saving and PIS account along with POA

Further, for NRI account facility through AXIS and YES Bank client directly opening NRO/NRE Saving and PIS from respective bank and hence, you can request for normal Equity franked Trading cum DP account opening from BizOps.

**Note:** In above case of AXIS and YES Bank account you need to support account opening along with all the supporting documents of account opening in bank.

# How to generate N series code

Go to below path once you login to Partner Portal



Fill the details as explained below. Please note, since this page is unique for NRI and PMS trading few dummy details (Fee Details) needs to be selected while creating N series code for NRI Trading account.

**Deal Entry**

Existing \*

☐

PAN Number \*

BYZPS5813F

AMC \*

Motilal Oswal

Channel \*

Franchise

RM \*

Chirag Karia [0101]

Branch Code \*

RVGPOVERSE

AccountType \*

NRI TRADING

Name \*

Naeem Sayyed

Distributor \*

MOSL

Business Owner \*

Chirag Karia [0101]

Partner Code \*

VGP OVERSEAS [VGPK1200]

Strategy \*

NRE Trading Account

**Fee Details**

Type \*

Fixed

Slab \*

UPFRONT : 0.00 MNG : 2.250000 CUST : 0.250000 PERF : N...

Annexure \*

Choose File

No file chosen

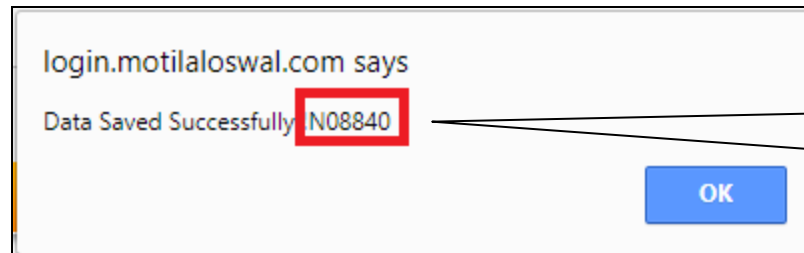
Valid Files :- .jpg,.png,.zip

Submit

Reset

In Fee Details please select details and upload dummy image in Annexure

**Note:** Separate code to be generate for NRE and NRO. You have to select proper Strategy whether NRE / NRO



This N series code must be used while punching data in CITRUS. This code will be continued as client's NRI trading code

# Limit Updation for NRI

Under NRI category, there are two sub-segments, within which accounts are activated i.e. NRE & NRO. And mechanism for updating of limit is different for both the sub-categories as well.

Below are the points to be noted:

- In case of NRE accounts, limit is updated on the basis of available balance in PIS bank account only. Details of account balance are received from respective banks (HDFC / Axis / Yes Bank) on T-1 basis, which is then updated as default by RMS team. If trade is not settled within T+5 due to insufficient funds in client's account, then RMS selling will be initiated and transaction would be settled accordingly
- In case of NRO accounts, limit is updated on the basis of available bank balance in NRO Securities bank account + portfolio holding value. Details of account balance are received from respective banks (HDFC / Axis / Yes Bank) on T-1 basis, which is then updated as default by RMS team. If trade is not settled within T+5 due to insufficient funds in client's account, then RMS selling will be initiated and transaction would be settled accordingly
- Funds for trading in above two segments (NRE & NRO) should not be transferred to client's ledger / trading account, as limit will be allotted only the basis of balance available in NRE PIS / NRO Securities Account only
- In case client is placing order within 7 working days from the date of account activation then he need to provide PIS statement to MOFSL so that we can set the limit for trading. This is only for first 7 day case post which limit will be auto set

# Limit Updation for NRI

- In case of **NRO accounts without NRO Securities Bank account (PIS)**, limit is updated based on **ledger balance and portfolio holding value**. If trade is done on margin and settlement is not done within **T+5 due to insufficient balance in ledger**, then **RMS selling** will be initiated and transaction would be settled accordingly
- In scenario, where client has **transferred funds on T day, it is BA / Franchisee's / Advisors / RM's responsibility to notify the same to NRI desk**, with updated bank statement stating latest transaction, through mail, on following email id : [Vishal.mandavkar@motilaloswal.com](mailto:Vishal.mandavkar@motilaloswal.com)
- Another important point to note is, **settlement for NRI trade is done on bill-to-bill basis** and not net basis. So each trade i.e. buy or sell, has to be settled **separately**, and **limit is not allotted against selling of shares for NRI trades**

Please refer below links to check RBI/CDSL/NSDL caution list of stocks

<https://www.fpi.nsdl.co.in/web/Reports/ForeignInvestmentLimitMonitoringListing.aspx>

<https://www.cdslindia.com/publications/FIMonitoring.aspx>

## Foreign Investment Limit Monitoring

Red Flag List / Caution List : Shares held in Red Flag list can be purchased subject to risk of disinvestment if the limit crosses.

Breach List : Share held in breach list cannot be purchased by NRIs , Customer can refer shares held in overall/Sectorial limit and aggregate NRI(Repatriable) investment limit

# NRI FAQ

Q: What if client is staying for more than 6 months in India?

A: In such case you have to collect any one of the document given below

1. All documents with bank verification stamp
2. All documents with Notary
3. All documents with attested by Indian Embassy

Q: What if client don't have Indian address proof and mobile number?

A: In such case client can provide the address proof and the mobile number of his family member along with relationship proof.

Q: Can NRI/PIO invests in other securities?

A: Yes, NRI/PIO can invest in other securities namely

1. Dated Government securities (other than bearer securities) or treasury bills
2. Units of domestic mutual funds
3. Bonds issued by a public sector undertaking (PSU) in India
4. Shares in Public Sector Enterprises being disinvested by the Government of India

Q: Are NRIs allowed to invest in Exchange Traded Funds (ETFs)?

A : Yes, NRIs are allowed to Invest in Exchange Traded Funds. NRI can invest in ETFs both on repatriation as well as non repatriation basis.

# NRI FAQ

Q: Can two separate trading accounts namely (NRE & NRO) can be opened by NRI?

A: Yes, clients can have two separate trading accounts based on NRE & NRO

Q: Can NRI do Intra-day transactions in cash segment?

A: No, NRI Investor has to take delivery of shares purchased and give delivery of shares sold. Short Selling is not permitted

Q: Can NRI trade in futures & options segment of the Exchange?

A: Yes, NRIs are allowed to invest in F&O segment of the exchange out of the rupee funds held in India on non-repatriation basis, subject to the limits prescribed by SEBI. Also for trading in F&O client need to open NRO saving account and CP code with ICICI bank (for more detail contact NRI desk at MOFSL HO)

Q: Can NRI trade in Currency derivative segment of the Exchange?

A: No, Only “a person resident in India” as defined in section 2(v) of FEMA Act 1999 are allowed to participate in currency derivative segment of the Exchange

Q: In case a non-resident Indian becomes a resident in India, will he/she be required to change the status of his/her holding from Non-Resident to Resident?

A: Yes. It is the responsibility of the NRI to inform the change of status to the designated authorized 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.



# Thank You