

Details for Non Resident Indians

CURRENT REGULATIONS IN DETAIL:

- Non-resident Indians holding Indian passport do not require any permission from RBI for acquiring Immovable Property for bonafide residential purposes as section 31 of FERA 1973 is not applicable to them.
- Non-resident Indians holding Indian passport may pay the purchase consideration either by remittance of funds from abroad through normal banking channels or out of NRO Account or out of NRE Account or out of FCNR Account.
- As per the recent relaxation RBI has granted General Permission to Non-resident Indians holding Foreign Passport (i.e. Foreign Citizens of Indian Origin) to acquire, hold, transfer or dispose off by way of sale or inheritance of immovable properties situated in India provided :
 - The property is for the purchaser's bonafide residential purpose.
 - The purchase consideration is met either by remittance of funds from abroad through normal banking channels or out of NRE/FCNR Account or out of FCNR Special Deposit Account.
- Foreign citizens of Indian origin are however required to declare the properties to RBI within a period of 90 days from the date of purchase in Form IP 17. The following documents must be submitted along with the declaration :
 1. A certified copy of the purchase deed or a certificate from the Co-operative Housing Society or an Association of the apartment owners as an evidence of transfer / registration of the property in the declarant's name.
 2. Certificate from the declarant's bankers in India evidencing receipt of inward remittance(s) in foreign exchange through normal banking channel or withdrawal of funds from the declarant's NRE/FCNR account / FCNR Special Deposit Account and payment in consideration for the property out of those funds.
 3. Where a Foreign Citizen of Indian origin wishes to acquire a property, out of funds held in NRO Account then the aforesaid general permission from RBI will be required which can be applied for in Form IPI 1.
 4. Where a Foreign Citizen of Indian origin wishes to acquire a property from the sale proceeds of another property, prior permission of RBI is essential and may be obtained by applying in Form IPI 1.
 5. Non-resident Indians regardless of whether they are holding Indian passport provided they are required for bonafide residential purposes can acquire any number of properties.

Repatriation of Investment in Residential Property

The Reserve Bank of India has vide Notification No. FERA/152/93-RB dated 26.05.93 permitted persons of Indian Origin whether holding Indian passport or a Foreign passport (NRI), to repatriate the original investment in equivalent foreign exchange after obtaining prior approval from the Reserve Bank of India. This facility will however be restricted to maximum of two houses.

The above permission allowing repatriation is subject to the following conditions: -

- The residential properties are purchased on or after 26.05.1993.

- The residential properties are not transferred or sold for a period of 3 years from the date of the final purchase deed or from the date of payment of final installment, where the agreement for purchase so provides.
- Only the amount of sale proceeds equivalent to the original investment in foreign exchange will be allowed to be repatriated outside India; balance if any, will have to be credited to the NRO Account of the NRI.
- The repatriation is subjected to prior approval from RBI, which is required to be obtained in Form IPI 8, within a period of 90 days of the sale of the property. Form IPI 8 must be accompanied by a copy of the Form IPI 7 submitted earlier at the time of acquisition of the property.

Letting Out of Immovable (Commercial / Residential) Property

Under Section 29 of the Foreign Exchange Regulation Act 1973, the Reserve Bank of India has granted General Permission to Foreign Citizens of Indian origin and Indian Citizens residing outside India to let out their immovable properties (Commercial / Residential). The rental income or proceeds of any investments out of such income shall be repatriable outside India subject to the conditions mentioned on next page.

Acquisition of Residential Property by Foreign Nationals of Non-Indian Origin.

The Reserve Bank of India on an application in Form IPI I may consider favorably property by Foreign Nationals of Non-Indian origin provided:

- The purchase consideration is met out of funds remitted from abroad.
- The property is acquired for bonafide residential use.
- The Foreign National of Non-Indian origin undertakes not to repatriate the sale proceeds.

Purchase / Sale of Immovable Property in India by Non-Resident Indians Foreigners of Indian Origin and Other Foreigners, etc.

	Residential Purpose	Commercial Purpose	Funds for Investment in Property	Letting out of property	Proceeds Repatriable / Non - repatriable
Non Resident Indian	No RBI Approval required	No RBI Approval required	a) Direct remittance NRO / NRE A/C b) Loans against NRE/ FCNR Deposits for Residential House only	No RBI approval required	Repatriation of Sale Proceeds equivalent to the Original Investment is permitted for a maximum of two houses as well as Commercial Property after 3 years of acquisition (i.e. possession) or payment of last instalment, whichever is later, provided the investment is out of direct remittance or NRE/ FCNR account Form IPI 8 to be submitted to RBI within 90 days of sale of the property.

Foreign Citizen of Indian origin	No prior RBI approval only intimation to RBI in Form IPI-7 within 90 days of purchase (Press Release dated 8/1/1992)	No RBI approval required Intimation to RBI in Form IPI-7 within 90 days of purchase (08/06/93 Circular)	a) Out of NRE/FCNR A/C or Foreign remittance b) Loans against NRE/ FCNR Deposits for Residential House only c) With prior approval of RBI from NRO Account	No RBI approval required	-Do-
Non Citizen of Foreign origin i.e. Foreigners	RBI approval required (Circular dated 23/3/1992)	RBI approval required	Direct remittance	RBI approval required (Circular dated 23/3/1992)	Non Repatriable
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a) Controlled by NRI 60%	RBI approval required	RBI approval required	Direct remittance	No RBI approval required	Non Repatriable
b) Others	RBI approval required	RBI approval required	Direct remittance	No RBI approval required	Non Repatriable
FERA Companies	No RBI approval required (FERA 104/92-RB Dated, 29/1/92)	No RBI approval required	Direct remittance	No RBI approval (Circular Dated 23/3/1992)	Non Repatriable

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