

NRI

CONNECT

July 2024



**TAX PLANNING
STRATEGIES FOR NRIs**

CONTENTS

TAX PLANNING STRATEGIES FOR NRIs	03
INDIA,THE PREFERRED RETIREMENT DESTINATION FOR NRIs	06
NEWS CORNER	08
LIST OF CORRESPONDENT BANKS WITH SWIFT ARRANGEMENT	09
LIST OF EXCHANGE HOUSES/BANKS HAVING RUPEE DRAWING ARRANGEMENT WITH SOUTH INDIAN BANK	10



TAX PLANNING STRATEGIES FOR NRIs

Navigating the intricacies of tax planning is a crucial aspect of financial management for Non-Resident Indians (NRIs). With multiple income sources across borders and varying tax regulations, effective tax planning helps NRIs minimise their tax liabilities while ensuring compliance.

Income Earned in India:

As an NRI, your tax obligations differ significantly from those of resident Indians. According to Indian tax laws, your residency status is determined based on the number of days you spend in India during a financial year. Understanding these distinctions is vital, as they influence which income sources are taxable and which are exempt.

For efficient financial planning, you need to be aware of how different income sources are taxed:

Income Earned in India:

Salaries: Taxable at applicable rates. Ensure proper documentation of employment contracts and salary slips for accurate tax reporting.

Rental Income: Subject to tax after allowing for standard deductions. Maintain rental agreements and expense receipts to claim deductions.

Capital Gains: Gains from investments in India, such as stocks or property, are taxed based on the holding period. Long-term capital gains on equity investments are taxed at 10% above INR 1 lakh without indexation benefits, and short-term capital gains are taxed at 15%.

Income Earned Abroad:

Generally, income earned abroad is not taxed in India if you maintain your NRI status. However, understanding the tax obligations in your country of residence is crucial to avoid double taxation and ensure compliance.

Double Taxation Avoidance Agreement (DTAA): To avoid being taxed twice on the same income, India has DTAA treaties with several countries. These agreements allow you to claim tax relief by either exempting income from double taxation or providing credits for taxes paid abroad. For instance, if you pay taxes on your foreign income in the country of residence, you can claim a credit for the same in India, ensuring you are not taxed twice.

Effective Tax Planning Strategies for NRIs

Utilise Deductions and Exemptions

Section 80C: Invest in Equity Linked Savings Schemes (ELSS) or pay life insurance premiums to claim deductions up to INR 1.5 lakh. Ensure these investments align with your financial goals and risk appetite.

Section 80D: Avail tax benefits on health insurance premiums for self and family. Consider taking a policy with a higher coverage to maximise deductions.

National Pension System (NPS): Contribute to NPS for additional tax benefits under Section 80CCD(1B) up to INR 50,000. This not only provides tax benefits but also helps in building a retirement corpus.

Invest Avenues for Tax Savings for NRIs:

NRE/NRO Accounts: Interest earned on Non-Resident External (NRE) accounts is tax-free, whereas the same on Non-Resident Ordinary (NRO) accounts are subject to tax. Choose the type of account wisely based on your financial goals. For instance, if you need to repatriate funds to India frequently, NRE accounts are beneficial due to their tax-free status.

FCNR Deposits: Fixed deposits in foreign currency are exempt from tax in India and shield your savings from currency fluctuations. These are ideal for NRIs who want to avoid the risks associated with currency exchange rates.

Real Estate Investments: Properly planned property investments can yield rental income and capital gains with significant tax advantages. Ensure compliance with local property laws and tax regulations to maximise benefits.

Avoid These Common Tax Pitfalls

Double Taxation: Carefully plan to leverage DTAA benefits to avoid paying tax on the same income in two countries. Claim relief through exemptions or credits for taxes paid abroad.

Reporting Requirements: Comply with regulations such as the Foreign Account Tax Compliance Act (FATCA) to avoid penalties. Accurate and timely reporting of foreign assets is essential.

Documentation: Maintain detailed records of all financial transactions and investments to ensure smooth tax filing and avoid disputes. This includes keeping receipts, contracts, and statements for all income and expenses.

Conclusion

For NRIs, proactive tax planning is vital to optimise tax liabilities and ensure compliance with international tax laws. By implementing these strategies, NRIs can make informed financial decisions, safeguard their assets, and focus on long-term financial growth. Stay informed, stay compliant, and make the most of the opportunities available to you as an NRI.



NRI
SERVICES

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

South Indian Bank NRI Services

Exclusively for our NRI Customers

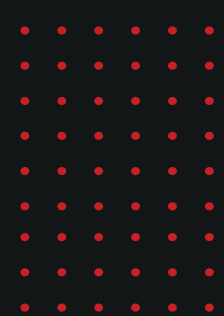
*A magnificent banking experience
with a plethora of unique features.*

We are just a phone call away

NRI Service Centre: +91-484-6689600

E-mail: nri@sib.co.in

*T&C Apply



www.southindianbank.com | [f /thesouthindianbank](https://www.facebook.com/thesouthindianbank)



INDIA, THE PREFERRED RETIREMENT DESTINATION FOR NRIs

Should NRIs Retire in India? If yes, why?

Non-Resident Indians (NRIs) may have migrated to greener pastures to fulfil their professional aspirations and livelihood needs, but the pull of the homeland remains. While the urge to reconnect with your roots may be a strong reason for retiring in India, there are other convincing reasons too.

India as an NRI Retirement Destination

Some of the reasons that could tempt you to consider India as your retirement destination are –

Cultural Familiarity – India boasts a rich cultural legacy that encompasses all regions. It is the land of vibrant festivals, diverse customs and rich linguistic traditions. You can enjoy a sense of belongingness on your return to India, something that you may have missed abroad.

Pace of Life – As an NRI, you may have lived in a developed country, working in a large enterprise or an office in a busy business district of a metropolis. A retired life in your Indian hometown could be a welcome break from the frantic life in a bustling city. Familiar surroundings can help you slow down your life with ease.

Recreational Opportunities – There are very few countries as diverse as India. From snow-capped mountains to parched deserts, stunning coastlines and virgin forests, India offers limitless travel opportunities. Your retired life in India can be filled with a never-ending itinerary of memorable recreations.

Reconnect with the Past – As someone who grew up in India, an NRI can connect to their past by returning to the country. Having fulfilled your career ambitions, retirement can be the time to relive the memories of youth and childhood with friends and families that you grew up with.

Cost of Living – If you have been living in a developed country, chances are that you will find livelihood in India highly affordable. A retirement corpus built to match American or European living standards could last for years, if not decades, longer in India.

Lucrative Investment Opportunities – Your overseas savings can help you unlock attractive real estate investments in India, whether for residential use or as an investment. As one of the world's fastest-growing economies, Indian real estate offers the potential for high returns.

NRI-Friendly Policies – The Indian government welcomes NRI investments. Apart from simplified and hassle-free procedures, your deposits and investments in India may qualify for tax benefits.

Making a Change by Retiring in India

Every rupee you spend during your retirement life in India ends up making a change to the economy. Your relocation to India, directly and indirectly, boosts the country's economy. While the rapid growth of India's economy presents a lucrative investment opportunity, the return of every NRI only aids this growth further. Many NRIs are returning to their small hometowns and villages, taking up philanthropic or entrepreneurial ventures, generating employment and improving local infrastructure.

As one of the fastest-growing countries in the world, India is changing every day. As an NRI returning to India, you can join the change; you can also be the change.



SIB Mirror+

THE BANK ON YOUR PHONE, SIB MIRROR+

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

- Available in 9 different languages
- Instant payment to 100+ billers
- Secure your account with e-Lock feature

Scan & download the SIB Mirror+ App Now!

Toll free (India): 1800-102-9408, 1800-425-1809 (BSNL), Email: customercare@sib.co.in, CIN: L65191KL1929PLC001017
www.southindianbank.com | [f /thesouthindianbank](https://www.facebook.com/southindianbank)

*T&C Apply

News Corner

IMF expects UAE's economy to grow by 4% in 2024



In its previous projection in April, the IMF predicted that the UAE's economy would grow by 3.5 percent in 2024. Shutterstock

US Inflation Broadly Cools, Likely Sealing Deal For Fed Rate Cut

BUSINESS | Bloomberg | Jul 11, 2024, 21:10 IST



UK economy returns to growth in May, beating expectations as British pound hits four-month high

PUBLISHED THU, JUL 11 2024 2:06 AM EDT
UPDATED THU, JUL 11 2024 3:31 AM EDT

Jenni Reid

WATCH LIVE

KEY POINTS

- The U.K. economy grew by 0.4% in May, flash figures published by the Office for National Statistics showed on Thursday.
- The British pound jumping to a four-month high against the U.S. dollar after the announcement.
- The broad-based recovery will be welcomed by the newly-elected Labour Party, as Prime Minister Keir Starmer undertakes his first week

PM GatiShakti platform may adopt AI to boost India's economic development



Representative image.

Synopsis

The Indian government, under PM Narendra Modi, is planning to adopt AI to boost India's economic development. [READ](#)

India, Austria agree to 'sustainable' economic and tech partnership

The two leaders — who met over a private dinner on Tuesday night and held official talks on Wednesday — recognised that the two countries have the potential to significantly upgrade their bilateral partnership to a higher level.

Written by [Shubhajt Roy](#)

Updated: July 12, 2024 04:52 IST

NewsGuard

Follow Us



Residents can open foreign currency a/cs at GIFT City under LRS



Synopsis

Resident Indians can now open foreign currency accounts (FCAs) at Gift City under the liberalized remittances scheme (LRS) for a wider range of purposes. This includes sending gifts to friends abroad, buying property overseas, purchasing insurance, making fixed deposits, paying for education loans, and funding international travel. The Reserve Bank of India (RBI) has expanded the LRS rules at International Financial Services Centres (IFSCs) like Gift City, aligning them with global financial centers.

READ ON APP



Chinese economy

China's economic growth slows amid weak retail spending

Retail sales growth is the weakest since the country emerged from Covid-19 lockdowns

Business live - latest updates

Larry Elliott Economics editor

Mon 15 Jul 2024 07:52 EDT



Pressure on Beijing to take steps to improve Chinese consumer confidence has intensified after news that weak retail

Gold prices steady as US rate-cut optimism supports



Synopsis

Gold prices remain stable as market watches for Federal Reserve interest rate decisions. U.S. economic data release expected to provide more insights. Traders predict rate cuts in the coming months. India's platinum imports increase due to loophole usage. Silver declines, platinum slightly drops, palladium remains constant.

READ ON APP

Upward March: IMF Raises India's GDP Growth Forecast for FY25 to 7%



Synopsis

The International Monetary Fund (IMF) Tuesday raised India's FY25 growth projection to 7% from 6.8% forecast in April, retaining the country's fastest-growing economy tag.

South Indian Bank names Dolphy Jose as Whole-time Director (ED)

By [Srajan Agarwal](#) - July 17, 2024



The South Indian Bank Limited has named Dolphy Jose as Whole-time Director (Executive Director) of the Bank, commencing July 15,

Powell says Federal Reserve is more confident inflation is slowing to its target



1 of 12 | Federal Reserve Chair Jerome Powell participates in a press conference on July 10, 2024.



RBI directed Indian Banks to reduce gap between bank deposits and bank credit

Indian Banks Increase Interest Rates on Retail Deposits, Following RBI's Directive

Outlook Business Desk

Published: 17th Jul, 2024 at 11:12 AM



LIST OF CORRESPONDENT BANKS WITH SWIFT ARRANGEMENT

Currency Details	Bank & Address	SIB's A/c no. with them	SWIFT Code
USD (US Dollar)	J P MORGAN CHASE BANK NA, 383 Madison Avenue New York, New York 10179 ABA Routing Number: 021000021	906918203	CHASUS33
	The Bank of New York Mellon (BNY Mellon), 240 Greenwich Street NY 10286, USA ABA ROUTING NO: 021000018	803-3162-716	IRVT US3N
	Standard Chartered Bank, One Madison Avenue, New York, NY 10010-3603 ABA ROUTING NO: 026002561	3582021649001	SCBLUS33
GBP (Pound Sterling)	J P MORGAN CHASE BANK NA, 25 Bank Street, Canary Wharf London United Kingdom E14 5JP IBAN: GB03CHAS60924280035960	80035960	CHASGB2L
	Standard Chartered Bank, 1 Basinghall Avenue, London EC2V 5DD, United Kingdom IBAN Number: GB88 SCBL 6091 0412 6928 56	01269285601	SCBLGB2L
EURO	J P Morgan SE , Taunustor 1, 60310 Frankfurt am Main , Germany, IBAN: DE55501108006231419232	6231419232	CHASDEFX
	Standard Chartered Bank (Germany) GMBH, Franklinstrasse 46-48 60486 Frankfurt /Main, Germany, IBAN:DE40512305000018160002	018160002	SCBLDEFX
JPY (Japanese Yen)	Standard Chartered Bank, 21st Floor Sanno Park tower Tower 2-11-1 Nagatacho, Chiyoda-ku Tokyo 100-6155 Japan	23762101110	SCBLJPJT
CAD (Canadian Dollar)	The Bank of New York Mellon(BNY Mellon), 240 Greenwich Street NY 10286, USA	8033060042	IRVTUS3N (Intermediary bank:- Royal Bank of Canada, Toronto ROYCCAT2)
CHF (Swiss Franc)	Zurcher Kantonalbank, Hardstrasse 201, Zrich (Prime Tower) IBAN Number : CH9500700070001284444	0-0700-01284444	ZKBKCHZ80A
AUD (Australian Dollar)	State Bank of India, Suite 31.02, Australia Square,264, George Street Sydney,NSW 2000, Australia	30113039120001	SBINAU2SXXX
AED (UAE Dirham)	Mashreq Bank, P O Box1250, Riqa, Diera Dubai, UAE, IBAN No : AE960330000019030000172	019030000172	BOMLAEAD
SGD (Singapore Dollar)	DBS Bank Ltd 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore-018982	037-003682-0	DBSSSGSG
SAR (Saudi Riyal)	Al Rajhi Bank, Head Office, Al Olayia Main Street – Riyadh, Al Akaria Building 3, P.O. Box 28, Riyadh – 11411 Saudi Arabia.	IBAN: SA0780000100608010055456	RJHISARI

LIST OF EXCHANGE HOUSES/BANKS HAVING RUPEE DRAWING ARRANGEMENT WITH SOUTH INDIAN BANK

Country	Name of the bank/ Exchange Company	Remittance facility
UAE	Hadi Express Exchange, P.O Box 28909, Dubai, UAE Ph: 00971-43537650	SIB Express
	UAE Exchange Centre LLC, Head office, P.O Box 170, Abudhabi, UAE Ph: 00971-26322166	SIB Express
	Al Ahaliya Money Exchange Bureau, P.O Box 2419, Abu Dhabi, UAE Ph: 00971-26270004	SIB Express
	Al Rostamani Exchange, P.O Box 10072, Al Rostamani Bldg. (Above 1st gulf Bank) Mezzanine Floor, Bur Dubai, UAE, Ph: 00971-263223222	SIB Express
	Al Fardan Exchange Company, P.O Box 498, Abudhabi, UAE Ph: 00971-26223222	SIB Express
	Al Ansari Exchange, Head office, P.O Box 6176, Dubai, UAE Ph: 00971-26224421/26108888/43772666	SIB Express
	Al Ansari Exchange, Head office, P.O Box 6176, Dubai, UAE Ph: 00971-26224421/26108888/43772666	SIB Express
	Sharaf Exchange LLC, P.O Box 29040, Dubai, UAE, Ph: 00971-43554560	SIB Express
	Lulu International Exchange LLC, P.O Box 4059, Plot No. C-210 Muroor Road, Abu Dhabi, UAE, Ph: 00971-26421800	SIB Express
	Joy Alukkas Exchange, P.O Box 171468, Bur Dubai, UAE, Ph : 00971-42522900	SIB Express
	GCC Exchange, P.O Box 41704, Al Sabkha, Deira, Dubai, UAE	SIB Express
	Delma Exchange, P.O Box 129869, Abu Dhabi, UAE, Ph: 00971-26225511/26225544	SIB Express
	Federal Exchange, Mohammed Bin Zayed City, P.O. Box 29407, Abu Dhabi, UAE. Tel : +971 2 555 8851	SIB Express
	Muthoot Exchange, P O Box 123387, Ayal Nasar,Naif Road,Deira,Dubai, Tel:+9714 2726339	SIB Express
	M/s Send Exchange, Zayed 1st Electra Street, Khalfan Megar Al Suwaidi Building, Abu Dhabi, UAE	SIB Express
	M/s DAR Exchange, Abu Baker Al Siddique Street, Deira Dubai, P O Box 87073, Dubai, UAE	SIB Express
Al Jaber Exchange, Unit No G15, Ground Floor, Mazyad Mall, 79 street, Mohammed Bin Zayed City, Abudhabi. Contact person of the Company:- Mr.Glenn George Philip, Ph No: + 971 561992680	SIB Express	
Kuwait	UAE Exchange Centre, Kuwait, P.O Box 26155, Postal Code: 13122, Safat, Kuwait, Ph: 00965-22459417	SIB Express
	National Exchange Co., P.O Box 11520, Postal Code: 15355, Dasma, Kuwait Ph: 00965-5736603	SIB Express
	M/s Kuwait Asian International Exchange Co W.L.L, Office No. 48 Adel & Anwar Mustafa Thunayan Al Ghanim Complex, Street 7 Block 73, Fahaheel Area, Kuwait, Tel: +965-23912944	SIB Express
	M/s Wall Street Exchange Co WLL, P.O. Box : 29942, Safat, 13160, Kuwait Tel:+965 1822055 Ext. #115	SIB Express
	M/s. U J Exchange Company, Hawally, Tunis Street, Block 7,Al-Fajr complex - Shop 24, Safat13127, Kuwait Tel: +965 22286600 +965 60724866	SIB Express
Oman	Joyalukkas Exchange LLC (formerly Majan Exchange LLC) P.O Box 583, Postal Code: 117, Sultanate of Oman, Ph: 00968-24794017	SIB Express
	Oman International Exchange, P.O Box 994 Postal Code: 114, Hay Al mina, Sultanate of Oman, Ph: 00968-24834954	SIB Express
	Hamdan Exchange Co., Head Office, P.O Box 190 Postal code: 211, Salalah, Sultanate of Oman Ph: 00968-23211258/24830893	SIB Express
	Lulu Exchange Co LLC (formerly Asia Express Exchange Co. LLC), P.O Box 881, Ruwi, Postal Code: 112, Sultanate of Oman, Ph: 00968-24788787	SIB Express
	M/s Wasel Exchange SAOC, PB 3548, PC 112, Ruwi, Muscat, Oman, Ph: 00968 9263 8801	SIB Express
	M/s Purushottam Kanji Exchange Co LLC, P O Box 41, Postal Code100, Sultanate of Oman	SIB Express
Bahrain	N.E.C BSC (c) (formerly Nonooo Exchange Co.), P.O Box 11970, Manama, Bahrain Ph: 0097317230905	SIB Express
	Zenj Exchange Co., P.O Box 236, Manama, Bahrain Ph: 0097317224352	SIB Express
	M/s Bahrain India International Exchange Co. BSC (c) , P.O Box :3204, Manama, Kingdom Of Bahrain	SIB Express

LIST OF EXCHANGE HOUSES/BANKS HAVING RUPEE DRAWING ARRANGEMENT WITH SOUTH INDIAN BANK

Country	Name of the bank/ Exchange Company	Remittance facility
Qatar	Al Fardan Exchange Co., P.O Box 339, Doha, Qatar, Ph: 00974-4335117	SIB Express
	Gulf Exchange Co., P.O Box 4847, Doha, Qatar, Ph: 00974-4383222	SIB Express
	City Exchange Co., Near Arab Roundabout/Souq Al Najadah, P.O Box 16081, Doha, Qatar Ph: 00974-4435060	SIB Express
	M/s Al Dar for Exchange Works W.L.L, P.O Box 24048, Nuaijah, IBA xBuilding, C-Ring Road, Doha, Qatar, Ph: 00974-4566514	SIB Express
	M/s Islamic Exchange Co., P.O Box 80925, Doha, Qatar Ph: 00974-4422718	SIB Express
	Al Sadd Exchange, Post Box.17127, Al Ameer Street, Fareej Al Soudan , Doha – Qatar Ph: +974 44323334,	SIB Express
	Doha Exchange Co WLL, Al Jasra Souq Waqif, Doha, Qatar, +974 44510733	SIB Express
	Habib Qatar International Exchange Ltd, G – 038, Ground level, City Centre mall, West Bay- Dafna, Doha, Qatar	SIB Express
Saudi Arabia	Al Rajhi Bank, P.O Box 28, Riyadh 11411, Kingdom of Saudi Arabia, Ph: 0096612116000	TT (Swift)
	Arab National Bank, P.O Box 56921, Riyadh 11564, Saudi Arabia, Ph: 00966590302887	TT (Tele Money)
Singapore	International Exch. Co. (S) Pte Ltd., 111, North Bridge Road, #01-17/18, Peninsula Plaza, Singapore-179098, Ph: 006563387749	SIB Express
Australia	Flyworld Money Exchange Pty Ltd, 49 Princes Highway, Dandenong Vic, 3175, Australia. Ph: 0449 891 010	SIB Express
	PFG Forex Pty Ltd, 189 B South Center Road, Tullamarine, VIC 3043, Australia. Ph: +61-3-9001 5864	SIB Express
Canada	Buckzy Payments INC. 67 Young Street. Suite 701, Toronto, ON M53 1J8. Ph: 91 98470 41060	SIB Express
	M/s U Remit International Corporation, 1500-4, Robert Speck Parkway, Mississauga, L4Z 1S1, Toronto, Ontario, Canada. Ph No: +971 544465611	SIB Express
United Kingdom	M/s GCC Exchange UK Ltd, 90, High Street, Southall, Middlesex-UB1 3DB, United Kingdom Ph : +442085712065	SIB Express
	M/s Direct Remit Limited, 444 Edgware Road, London, W2 1G Ph: +971 527553421, +971 553407625	SIB Express
	M/s KMB International Money Transfer Ltd, 88 Caledonian Road, King's Cross, London N1 9DN, United Kingdom, Ph: +44 7309058496	SIB Express
	M/s Horizon Remittance Ltd, 115 Uxbridge Road, London, W12 8NL, United Kingdom Tel: +44208 746 0588 Whatsapp +447749475175	SIB Express
	M/s Teeparam exchange Limited, 261 London Road, Croydon London, Pin CRO2RL, United Kingdom	SIB Express
	M/s Daytona Capital Management Limited (DCM), WeWork Aviation House, DD-01C102-017, 125 Kingsway, London, WC2B 6NH, United Kingdom. Ph +44 2032862244	SIB Express
	M/s Shift Financial Services Ltd, 200 First central, 6th floor, Office 22, Lakeside Drive, London, England, UK, NW10 7FQ	SIB Express
USA	M/s Muthoot Finserve USA INC, 1407, Oak Tree Road, Iselin, New Jersey, 08830, USA customersupport@muthootgroup.us, Ph 91-8137990642	SIB Express
	M/s Wall Street Finance LLC, 1055 Westlakes Drive, Suite 175, Berwyn, PA19312, USA Ph: +1 267 205 2213	SIB Express
Seychelles	M/s Raji Exchange Limited, K B Emporium Building, Rue de Diolinda, Providence Industrial Estate, Mahe Island, P O Box 1212, Victoria, Seychelles, Ph No: +248 2505020	SIB Express
	M/s.Vision Money Transfer Limited, Sound and Vision House, P O Box 708, Victoria Mahe Seychelles.	SIB Express
Jordan	M/s ZamZam Exchange LLC, Wasfi Altall ST, Amman, Jordan (962) 7244844 (962) 778878878/ 776211343	SIB Express
Kenya	FLEX MONEY TRANSFER LIMITED, SUITE 13, 4th FLOOR, THE GREENHOUSE, NGONG' ROAD, NAIROBI, KENYA Ph: +254 203861100 Office Mobile: +254781304137	SIB Express

Representative Office, Dubai

CRO, Representative Office - Mr. George Joseph

Mob: +971 543077077, Email: george_joseph@sib.co.in

Team Leader - Mr. Ajin Baby

Mob : +971 521939358, Email : ajinbaby@sib.co.in

Address:

The South Indian Bank Ltd

Banking Representative Office

P O Box 122611, SM02, Mezzanine Floor

The Atrium Centre, Bank Street

Al Mankhool, Bur Dubai, Dubai, UAE

Mob: +971 43308877, Email: dxbrep@sib.co.in

