

**PUNJAB NATIONAL BANK
INTERNATIONAL BANKING DIVISION
HO: NEW DELHI**

F.A.Q.'s

N.R.E. Deposit Scheme

1. What is NRE A/c?

- Non-Resident (External) Account.

2. Who can open NRE 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 NRE?

- Saving Fund / Current Account / Recurring Deposit / Term Deposit (with maturity of minimum 1 year & maximum 5 years).

5. In which currency these a/cs are maintained in the Banks?

- Indian Rupees.

6. These accounts can be opened with which funds?

- These accounts can be opened in Indian Rupees with / out of the funds received as foreign inward remittances in freely 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.
- Transfers from rupee accounts of non-resident banks.

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

Yes.

8. Can these accounts be opened jointly with Indian residents?

- No. The joint holders can only be Non-Resident Indians.

9. Whether nomination is permitted in NRE Account?

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

10. What are the maturity periods under the NRE-Term Deposit scheme?

- (a) 1 year to < 2 years; (b) 2 years to < 3 years ; (c) 3 years to 5 years.

11. Whether interest income from NRE a/c is taxable under Income Tax?

- No. Interest income from NRE accounts is exempt under Income-tax rules.

12. Whether deposit held under NRE a/cs is taxable under Wealth Tax?

- No. Deposit held under NRE a/cs is not taxable under Wealth Tax.

13. Whether resident Indian holder of Power of Attorney is permitted to operate the a/c?

- Yes. Operations restricted to local disbursements (other than gifts to resident), including for investments subject to compliance of relevant regulations. But remittances / repatriation abroad may be made only to account holder.

14. 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.

15. Is the amount held under NRE deposit repatriable?

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

16. Whether Debit Card Facility is available to NRE account holders?

- DEBIT-cum-ATM Card facility is available for NRE account holders. The same is provided, upon request.

17. Whether Internet Banking Service is available to NRE a/c holders?

- Yes, the Internet Banking Service (IBS), including transactions facility is available to NRE a/c holders. The same is provided, upon request.

For more details, please visit our website www.pnbindia.com LINK - INTERNET BANKINGInternet Banking for NRIs,

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 NRE Deposits to account holder/ third party?

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

20. What are the restrictions on advances against NRE deposits?

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

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

- Banks may allow NRE 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.

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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 NRE (B) deposit?

- The guidelines prevailing at the time of cancellation will be applicable.