

Exclusive Ventures

Beyond Boundaries

REPATRIATION OF PROCEEDS OF SALE OF PROPERTIES BY NRIs /PIOs

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- **NRIs/PIOs** can buy Residential Plots, Houses, Apartments and commercial properties. However, RBI regulation in force, bars NRIs from buying agricultural or farm lands. (*However, NRIs continue to actually buy agricultural land and farm plots since there are no checks in this regard. Buerys register normally with their local Address*)
- **NRIs/PIOs** do not need to take any special permission for buying or selling properties.
- On Sale of property, **NRIs/PIOs** can repatriate **the FX brought in or Bank Loan amount taken to buy the property.** (**Can NRIs repatriate entire proceeds including capital gain made by selling a property? Please see [Point A below](#)**)
- **There is no lock in period for repatriating amount brought in by FX.** **NRIs/PIOs** can buy one day and sell next day and repatriate the FX brought in, immediately. (Earlier, there was a 3 year lock in period by RBI for repatriation. This stands withdrawn). Repatriation of this amount is easy. Just request your bank! No need to file any form with RBI. Keep record of transfers made for the purpose of buying property. Submit these details to Bank for easy repatriation. No tax would apply on such repatriation.
- **NRIs/PIOs** do not have to quote PAN number to buy property
- Proceeds from Sale (**limited to the money brought in as explained above**) of ONLY 2 RESIDENTIAL Properties (Unlimited Commercial Properties) can be repatriated, without lock in period.
- **Point A. REPATRIATING ENTIRE SALE PROCEEDS**
NRI/PIO may remit the **ENTIRE** sale proceeds (Entire means **ENTIRE!** Not just limited to FX Portion) of immovable property sold by him, provided the property was held by him for a period **not less than ten**

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years. If the property is sold after being held for less than ten years, remittance can be made if the sale proceeds for the balance period were held in NRO account (Savings/Term Deposit) or in any other eligible investment.

So as per current regulations, you can invest in a Residential Plot or Bungalow and hold it for 10 years and then sell it and take back the entire proceeds **subject to Capital Gains Tax.** You can submit relevant documents of Sale and required certificate of a Chartered Accountant and instruct your bank to repatriate the amount from your NRO account. Repatriation is limited to \$1 Million per year. Well that is a lot of money!! **Virtually this enables NRIs who wishes to get very large return on Investment compared to what they can get in US, to invest in India and take back the entire profit from Sale. So go ahead and buy now!**

You can also repatriate entire proceeds out of sale of property received as inheritance WITHOUT any lock in period through your NRO account. Repatriation is limited to \$1 Million per year.

- **NRIs/PIOs** can Repatriate the entire Rental Income of a Property Purchased by him and given for rent. The Rental Income together with other earnings that an **NRI/PIO** may have in India, is subject to applicable Taxes. You can instruct your Bank to do the remittance. Every year you need to submit to our bank, a Certificate by a Chartered Accountant, covering income and taxes paid.

For more details Refer :

1. <http://www.hsbc.co.in/in/personal/nri/nrifaqs.htm>
2. <http://www.indialiaison.com/remittance.htm>
3. <http://www.rbi.org.in/scripts/FAQView.aspx?Id=52>
4. <http://www.rbi.org.in/scripts/FAQView.aspx?Id=33> (Refer Q-32)