

## Remittances For NRIs



Sunil has recently moved abroad to work for a multinational company. He wants to give financial support to his family back in India. Sunil is examining the options he has for regular and timely transfer of money from his foreign location to his wife, Taruna, in India.

### Process – International Wire Transfer



In order to transfer money, Sunil has to request his bank abroad to take foreign currency from his account and send it to Taruna's bank account in India. Sunil's bank will send this money through their correspondent bank into Taruna's account in India, where she will receive Indian Rupees. Banks typically hold accounts (called Nostro accounts) with correspondent banks in the local currency to serve their customers' need for international remittances.

### Remittance



The remittance of money from one bank to another is enabled through the SWIFT (Society for Worldwide Interbank Financial Telecommunications) network, which is a global provider of secure financial messaging services. Over 8,000 banking organizations worldwide including

major banks are members of the SWIFT network.

### Innovative Services



Instead of using international wire transfers, Sunil can use an on-line money transfer facility, which enables him to make the remittance request online. He can initiate, track and confirm the completion of remittance to Taruna, online.

### Flexibility



Sunil's bank can offer him choices for his remittance. He can make an inter-branch online transfer if he and Taruna hold accounts with the same bank. He could ask his bank to credit Taruna's account directly if it is with another bank. Banks tie up with one another to facilitate such bank-to-bank transfer of remittances. Sunil needs to check the network his bank supports. He can also have cash delivered to Taruna, as some banks facilitate such delivery as well.

### SMS CONTEST

#### Question

The amount that can be remitted into India from abroad \_\_\_\_\_.

#### Answer

- A. is not subject to any limits
- B. is subject to a limit of USD 1 million
- C. is subject to RBI approval

To answer SMS DISHA A, B or C to 53030 and win a 2N 3D holiday.\* Contest open for the day of publication.

\*Terms and conditions apply. Visit [www.dishac.org](http://www.dishac.org) for details and winners.

### Cards



Taruna can get herself a Visa card, and Sunil overseas can deposit money into her Visa card account. This saves Taruna trips to her bank, and enables her to spend with the card as well as to use it for cash withdrawal. Some banks issue special Remittance Cards that can be used similarly.

Sunil has several choices for sending money home. He needs to choose his bank with care, ensuring that modern-day facilities for remittance are offered at low cost and executed efficiently by his bank.

Center for Investment Education and Learning

### DID YOU KNOW?

India is the largest recipient of inward remittances in the world with volumes of over USD 42 billion recorded in the financial year 2007-08.

### FAQs

Can I open a non-resident bank account into which money can be deposited by me abroad, and withdrawn by my wife in India?

It is possible to open a non-resident ordinary (NRO) account, where your wife can be a joint holder. You can deposit foreign currency into this account, which your wife will be able to withdraw in Indian Rupees in India.

How can I remit funds back to India for investments I want to make in Indian mutual funds? Are there any limits?

Mutual funds allow you to invest through any non-resident bank account that you may open, and accept direct remittances from you into their collecting bank for investment in their products here. There is no limit on inward remittances by NRIs into India.

We welcome your questions, suggestions and feedback on this column. Please use the 'Email Us' link at [www.icicibank.com](http://www.icicibank.com) or send as an SMS to 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.

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