



NRI NEWS BULLETIN FOR OCTOBER 2021
Volume No: 10-2021

11 FESTIVE GREETINGS 11

FCNR DEPOSITS:

Rupee value has appreciated against USD in recent past, the same can be advantageous, if the deposits are placed in Foreign Currency. FCNR (B) accounts are maintained only in the form of term deposits (FD or KD) and in 5 foreign currencies in our Bank:

Who can open an account	NRIs, PIOs and OCIs. Opening of FCNR (B) account by individuals of Pakistan requires prior approval from RBI.
Joint account	May be held jointly in the names of two or more individuals (subject to a maximum of four). Joint account with resident relative on 'former or survivor' basis (relative as defined in Companies Act, 2013) can be opened.
Currency	USD, GBP, EUR, CAD, AUD.
Period of Deposit	Minimum 1 Year. Maximum 5 Years.
Documentation	Duly filled in application form IF (GEN) 1845.

Features:

Repatriability	Proceeds of FCNR (B) deposits are freely eligible for remittance abroad either on maturity or on closure before maturity.
Nomination	Available.
Closure before maturity	Available with penal cut (in applicable rate of interest) of 1%. No interest is payable if FCNR (B) deposit is closed before completion of One year from the effective date of deposit. For other period, where the ROI is less 1%, Principal to remain protected.
Loan/ Overdraft Facility	Available. Loan proceeds are not eligible for remittance abroad.
Taxability	Income earned in the accounts is exempt from income tax and balances exempt from wealth tax.
Change in Residential status	On change in residential status, FCNR (B) deposits may be allowed to continue till maturity at the contracted rate of interest, if so desired by the account holder. Branches should convert the FCNR (B) deposits on maturity into resident rupee deposit accounts or RFC account (if the depositor is eligible to open RFC account), at the option of the account holder.
Auto Renewal	One-time auto-renewal facility for FCNR (B) deposits is available w.e.f. 03.03.2021. Such auto renewal shall happen only once.

Source of Funds:

1. Foreign Currency Notes tendered.
2. Inward Remittances in person by the NRI depositor.
3. By debit to account holder's NRE account.
4. Proceeds of personal cheques existing NRE/ FCNR(B) account drawn on the depositor's foreign currency account maintained abroad.

Payment of Interest:

Interest shall be computed in the currency in which the deposit account is maintained. While calculating interest on FCNR (B) deposits, number of days per year is reckoned as 360.

NEWS REGARDING LATEST RATE OF INTEREST ON DEPOSITS

The interest rates on FCNR [B] deposits of amount less than USD 1 million (or its equivalent in other currencies) with effect from 07.10.2021 as under:

(In % p.a.)

PERIOD OF DEPOSIT	CURRENCY OF DEPOSITS				
	USD	GBP	EUR	CAD	AUD
1 year & above but less than 2 years	0.64	0.59	NIL	0.71	0.30
2 years & above but less than 3 years	0.85	0.94	NIL	1.17	0.51
3 years & above but less than 4 years	1.13	1.04	NIL	1.44	0.75
4 years & above but less than 5 years	1.36	1.13	NIL	1.63	1.03
5 years only	1.54	1.18	0.01	1.76	1.23

Interest rates on RFC Term Deposits of amount less than USD 1 million (or its equivalent in other currencies) and RFC Saving Bank deposits w.e.f. 07.10.2021 are as under:

(In % p.a.)

PERIOD OF DEPOSIT	CURRENCY OF DEPOSITS				
	USD	GBP	EUR	CAD	AUD
SAVINGS BANK	NIL	NIL	NIL	NIL	NIL
1 week & above but less than 3 month*	NIL	NIL	NIL	NIL	NIL
3 months & above but less than 6 months	0.09	NIL	NIL	0.02	NIL
6 months & above but less than 1 year	NIL	NIL	0.03	NIL	NIL
1 year & above but less than 2 years	0.64	0.59	NIL	0.71	0.30
2 years & above but less than 3 years	0.85	0.94	NIL	1.17	0.51
3 years only	1.13	1.04	NIL	1.44	0.75

Interest rates on NRE term Deposit (w.e.f. 09.08.2021):

(In % p.a.)

SLABS	PERIOD OF DEPOSIT	RATE OF INTEREST	
		Less than 2 Crore	Rs. 2 Crore to less than 10 Crore
SLAB-1	1 year only	5.10	3.65
SLAB-2	Above 1 year to less than 2 years	5.10	3.65
SLAB-3	2 years & above to less than 3 years	5.10	3.65
SLAB-4	3 years & above to less than 5 years	5.25	3.40
SLAB-5	5 years & above to 10 years.	5.25	3.40

Revision in Interest Rates on Domestic and NRO Term Deposits (w.e.f. 09.08.2021):
 (In % p.a.)

SLABS	PERIOD OF DEPOSIT	RATE OF INTEREST			
		Less than Rs.2 Crore		Rs. 2 Crore to less than Rs. 10 Crore	
		General	Sr. Citizen	Callable	Non-Callable++
SLAB-1	7 Days to 45 Days	2.90	2.90	2.90	NA
SLAB-2	46 Days to 90 Days	3.90	3.90	3.10	3.0
SLAB-3	91 Days to 179 Days	3.95	3.95	3.25	3.25
SLAB-4	180 Days to less than 1 Year	4.40	4.90	3.25	3.25
SLAB-5	1 Year only	5.10	5.60	3.65	3.65
SLAB-6	Above 1 Year to less than 2 Years	5.10	5.60	3.65	3.65
SLAB-7	2 Years & above to less than 3 Years	5.10	5.60	3.65	3.65
SLAB-8	3 Years & above to less than 5 Years	5.25	5.75	3.40	3.40
UNIQUE	Canara Unique "1111 Days"	5.35	5.85	NA	NA
SLAB-9	5 Years & above to 10 Years.	5.25	5.75	3.40	No Quote

IMPORTANT POINTS:

1. The maximum period for accepting NRE term deposits is **10 years** and the minimum period for accepting NRE term deposits is **one year**.
2. **Extension of period of NRE Term Deposits:** The period of NRE term deposits can be extended during the tenure of the deposit for a period longer than the balance period (i.e. the remaining period of the deposit). The period of the extended deposit shall be a minimum of one year and a maximum of 10 years effective from the date of extension.
3. **Auto Renewal of NRE Term Deposits:** The NRE term deposit can be auto renewed only once, as the Non-resident status is to be confirmed periodically. Matured deposits will be paid interest at Savings Bank rate from the date of maturity till the date of payment/ re-investment.
4. Where NRE term deposit is closed before maturity/ prematurely extended before completion of one year from the effective date of the deposit, no interest shall be payable for the period run.
5. No penalty will be levied for premature closure/ part withdrawal/ pre mature extension of NRE term deposits of Rs 2 crore and above that are placed/renewed on or after 12.03.2019.
6. The penalty of 1.00% is waived in case of NRO term deposits that are prematurely withdrawn for the purpose of reinvestment in the Bank's NRE term deposits.

We also offer a bouquet of services to cater to your financial needs as a single point of contact. For various Investment Facilities/ Insurance/ Mutual Fund Schemes, please refer following links:

LIFE INSURANCE: <https://canarabank.com/insurance/index.html>

HEALTH INSURANCE: https://canarabank.com/User_page.aspx?menulevel=1&menuid=3&CatID=45

GENERAL INSURANCE: https://canarabank.com/User_page.aspx?menulevel=1&menuid=3&CatID=44

MUTUAL FUNDS: https://canarabank.com/User_page.aspx?menulevel=1&menuid=2&CatID=4

DEPOSITORY SERVICES: https://canarabank.com/User_page.aspx?menulevel=1&menuid=2&CatID=20

REMITTANCE FACILITIES: https://canarabank.com/User_page.aspx?menulevel=1&menuid=2&CatID=22

INVESTMENT FACILITIES: https://canarabank.com/User_page.aspx?menulevel=1&menuid=2&CatID=23