

## APPLICATION FOR PORTFOLIO INVESTMENT SCHEME (NRE)

Date:  
The Manager  
NRI and PIS Services

Broker's Name: \_\_\_\_\_

Customer's PAN: \_\_\_\_\_

\_\_\_\_\_ branch

NRE PIS A/C No: \_\_\_\_\_

Dear Sir,

**Ref: Application for permission to deal in shares in secondary market under the Portfolio Investment Scheme (PIS)**

We hereby appoint HDFC Bank as a Designated Bank for PIS. We hereby advise that we have read and understood the terms and conditions as specified under the portfolio Investment Scheme and hereby declare that we agree to comply with all statutory formalities under the PIS scheme from time to time. We confirm that as on date, we do not hold PIS PERMISSION on repatriable basis with any other bank.

I/We hereby agree:

- To open the NRE PIS Savings account with designated branch to acquire equity instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India. The transactions related to this NRE PIS Savings account will be routed only through designated branches.
- I/We agree that if the PIS account/PIS Permission is transferred from any other bank to HDFC Bank, then I/We shall furnish a "No Objection Certificate" from my/our present banker along with a holding statement (having details of scrip name, date of purchase, cost of purchase, quantity) as specified by HDFC Bank along with a latest copy of the Demat Statement of securities.
- That the NRE PIS accounts and PIS PERMISSION will be held with only one bank at any given point in time.
- The NRE PIS account will not be used to route any other transactions besides transactions related to the purchase and sale of Equity instruments. Any other transaction will be routed through the regular NRE savings account held with the bank.
- To submit the complete details of all shares held by me which was purchased from the Primary market as a non-resident on repatriation basis in the formats as specified by the bank.
- To do only delivery-based transactions and not indulge in speculative transactions. To purchase and sell shares of an Indian company, through registered broker on a recognized stock exchange.
- To place purchase orders only if the Bank can earmark sufficient balance covering the purchase consideration of securities and other applicable charges in client's Bank account.
- To report to the Bank all transactions done directly through stockbrokers on T+0 OR T+1 after trading, by submitting original broker contract notes to PIS designated branch only where PIS account is maintained. Details like, PIS Permission number, PIS account, Demat Account (DP and Client ID), purchase payments (cheque no, date of cheque, gross amount of purchase) will be mentioned on purchase contract note and sale contract note.
- I/We agree that my stock broker will share all the buy and sell trades on our behalf on daily basis to the bank and bank's empanelled vendor tax consultant for further reporting into the PIS ledger.
- Payments for shares/ receipts from the broker on account of sale of shares will be made against the amounts specified on the bills and no adjustment of purchases against sale transactions will be done even if various sale and purchase transactions are doing during the same period.
- To deposit all payment instruments (cheque/DD etc.) received from a stockbroker on account of sale of securities for crediting in appropriate account along with complete details like PIS Permission number, PIS account, Trade date and the bills at PIS designated branch where PIS account is maintained.
- The purchase of equity shares/convertible debentures in each company with repatriation benefits shall not exceed 5 % (or as prescribed by Reserve Bank of India from time to time) of the paid-up capital of the company, subject to an overall ceiling of 10 % (or as prescribed by Reserve Bank of India from time to time) All consequences of failure in such compliance, including any losses arising out of reversal of transactions shall be to our account.
- The bank will recover its fees /charges applicable for PIS by the debit to the NRE savings (non-PIS) account held.
- To allow the bank to compute the capital gains tax on sale transaction done to respective stock brokers. The bank will deduct the capita gain tax as application on each transaction and the sale proceeds net of tax will be credited to the designated NRE PIS savings bank account within 48 working hours after receipt of clear funds from broking firm.
- The sale made will be adjusted on First In First Out basis (FIFO) at the PIS permission number level (for e.g. if a customer has multiple demat accounts or multiple NRE PIS Saving account under one PIS permission number ) - FIFO will be applied across them while calculating capital gains for the purpose of calculating capital gains .If any pledged shares are updated in the NRE PIS ledger then the same will also be considered for computation of capital gain as a part of FIFO basis.
- I / We will file the Form FC-TRS through my Authorised Dealer (Bank) on sale of equity shares (acquired under FDI/ESOP) on stock market floor.
- HDFC Bank will only monitor the accumulated capital gains for each PIS trade reported to the Bank for the purpose of levying surcharge as per the slab. TDS rate will be charged accordingly while crediting the sale payout into NRE PIS Savings Account / NRE Savings Account.
- I confirm to open the additional NRE PIS Saving bank account by giving me extension to my existing NRE PIS permission number held under my PAN to deal with other stock brokers with common PIS ledger maintained at bank for computation of capital gain tax under one PAN for multiple brokers trades.
- I/We agree that my stock broker share all the buy and sell trades on our behalf to on daily basis to bank and bank's empanelled vendor tax consultant for further reporting

into the NRE PIS ledger maintained in my name.

- Capital gains tax will be calculated without the indexation method and will not be adjusted on exchange rates
- The bank will not undertake any monitoring and follow up of corporate actions associated with any holdings of the account holder & also will not undertake any follow up for deliveries of any shares purchased.
- To ensure before placing / conveying Sale orders that I/We actually hold free shares (shares pending Demat or locked /pledge are not free shares).
- Shares purchased in the primary market, shares under corporate action are not to be considered under the PIS scheme. Therefore, any sales proceeds pertaining to NON PIS Scheme will be credited directly into your NON -PIS account. However, in case the sale contract consists of PIS as well non PIS shares, then the sale proceeds will be credited to PIS account only.
- In case of a delay or default in providing details pertaining to shares within the prescribed time, I/we shall be solely responsible for the following consequences:
  - (a) Any impact on FIFO method of capital gains computation for such transactions and/or subsequent transactions
  - (b) Any delay in credit to my PIS/Savings Bank account.
- I/We agree to adhere to the RBI/ NSDL/ CDSL guidelines and restrictions on purchase of shares (Banned / Caution/ Breach/ Red Flag) and shall refer RBI /NSDL/ CDSL website before dealing on recognized stock exchange.
- I/We shall not purchase Breached/ Red flag scrips that are prohibited by RBI. In case of default, I/We shall arrange to sell the same immediately and losses and applicable charges, if any, on account of such transactions will be borne by me/us and I/we shall be responsible for legal consequences, if any. Further, the First in First out (FIFO) method of Capital Gain computation shall be affected and accordingly Tax shall be deducted at source.
- I/We shall intimate the bank about any change in the status of security holdings on account of Corporate Actions or otherwise (IPO/FPO, Rights, Buy Back, ESOP, Inheritance, Gift, off-market transactions etc.) to facilitate proper reporting under NRE to RBI and Capital Gain computations as per the Income Tax Act, 1961.
- As an NRI /PIO, under PIS facility I/we will not invest in any Prohibited sectors as per FEMA guidelines updated time to time.
- In case I wish to avail of DTAA benefit; I will submit the required documents in the beginning of every financial year.
- Any changes such as a change in the residential status/name/address/email ID/telephone numbers/Contact person etc. in any of my Accounts shall be intimated to the Bank Immediately.

The Bank shall comply with instructions and procedures as laid down by Regulatory Authorities for PIS from time to time.

I /We shall indemnify and hold harmless the Bank against any direct losses costs or claims which Bank might incur/suffer as a result under PIS.

I/We specifically agree to hold the Bank harmless from any and all claims and agree that the Bank shall not be liable for any loss, actual or perceived, caused directly or indirectly by equipment failure, communication line failure, system failure, Internet failure, securities failure on the Internet, unauthorized access or any other problem technological or otherwise, that might prevent the client from executing or the Bank from executing an order or other conditions beyond Bank's control.

Account Holder's Signature: \_\_\_\_\_

Name of the Account holders: \_\_\_\_\_

*\*To be signed by all holders and submitted along with the application form*

**FEE SCHEDULE FOR PORTFOLIO INVESTMENT SCHEME – NRI CUSTOMERS**

Sr. No.	Fee Heads	Fees (in INR)
1	PIS approval issuance fee (onetime fee)	1000
2	Annual account maintenance fee	1000
3	PIS Reporting Charges	
	Purchase	100 per contract
	Sale	100 per contract
	Purchase / Sale on same contract	200 per contract
4	Processing of sale proceeds purchased through Secondary market under PIS - Transaction Fees	
	i. Transaction value up to Rs 50000	100
	ii. Transaction value between Rs 50000 to 300000	250
	iii. Transaction value above Rs 300000	500
5	Processing of sale proceeds purchased through Primary market as a resident / non-resident / inherited (by a customer registered for PIS)	
	iv. Transaction value up to Rs 50000	200
	v. Transaction value between Rs 50000 to 300000	400
	vi. Transaction value above Rs 300000	600

- a. Charges/ service standards are subject to revision at the Bank's sole discretion and as informed by circulars sent by ordinary post
- b. Account Maintenance fees are non-refundable and levied on a financial year basis.
- c. Fees for issuing approvals and annual account maintenance fee will be debited annually, while the fees for processing the sale proceeds will be debited each time the transaction is processed.
- d. All fees will be debited to the designated savings account.
- e. The above charges are independent of the Demat account charges and the brokers fees
  - \* Plus, service tax /GST as applicable

I / We have accepted the above schedule of charges.

Yours Sincerely,

Account Holder's Signature: \_\_\_\_\_

Name of the Account holders: \_\_\_\_\_

\*To be signed by all holders and submitted along with the application for

## NRE Annexure I (Primary Market Transactions)

Customer Name: \_\_\_\_\_

Date:     /     /

NRE PIS Permission Number: \_\_\_\_\_

Sr. No.	Name of Company/Security	ISIN	Date of Acquisition (DD/MM/YYYY)	Number Shares / Quantity	Acquisition Price (per share)	DP ID	CLIENT ID	Remarks/Corporate Actions details

**Note:**

In absence of RBI approval number, Documentary evidences to be obtained confirming the shares are acquired on repatriation basis.

Annexure to be submitted along with latest demat holding statement. The name and total number of securities mentioned in above annexure should match as per latest Demat holding.

As per current Income Tax guidelines on LTCG: For computation of capital gains for securities acquired on or before 31<sup>st</sup> January, 2018 the purchase cost of acquisition will be determined as stated below: Higher of-

The actual cost of acquisition of shares and b) the lower of –

i. The fair market value of shares on 31<sup>st</sup> January, 2018 and

ii. Sale consideration of shares

I/We confirm that the above securities are not acquired through other NRI's/Private arrangement from RI/NRI/any other similar mode. In case of such securities to be reported then I /We will report the same separately with all details .I/We also confirm that the above shares acquired by me /us have been complied with STT provisions and are eligible for capital gain tax benefits available on sale of shares on stock market floor as per the Income Tax Act,1961and relevant regulations issued thereon.

In case of ESOP shares, I/We will provide the details as per ESOP checklist and I/We confirm that if the perquisite tax is not paid in India then Fair Market Value (FMV) will not be considered as cost of acquisition for computation of capital gain instead Exercise price will be considered as cost of acquisition.

I hereby indemnify and hold the Bank harmless at all times against any and all claims, liabilities, damages, losses, costs, charges, expenses (including, legal cost and fees), proceedings, and actions of any nature whatsoever made or instituted against or caused to or suffered by the Bank directly or indirectly on account of wrong computation of capital gain taxes by placing reliance on aforementioned information/data and confirmation provided by me/us.

Yours Sincerely,

Account Holder's Signature: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of the Account holders: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*\*To be signed by all holders and submitted along with the application form*