

## ZENMoney Process Document

For

NRI Clients

To invest in Indian Equities (Shares & Mutual Funds) and related products, an NRI needs to have an active **Trading account** and **Demat account**. Based on the funds sourced from (India/overseas) and/or the requirement to-repatriate or not-to-repatriate the funds back to foreign currency, an NRI can choose the type of Trading and Demat accounts as NRE or NRO.

**Note:** An NRI can have both NRE (Repatriable) and NRO (Non Repatriable) Trading and Demat accounts simultaneously.

1 NRE a/c: For the investments required to repatriate back to foreign currency.

1 NRO a/c: For the investments not required to repatriate back to foreign currency.

**Non Resident Ordinary (NRO) Trading & Demat accounts** can be opened by an NRI to invest his/her funds that are sourced from India or the funds that an NRI does not wish to repatriate back to foreign currency. **NRO PIS Bank Account** needs to be registered with this Trading & Demat account.

**Non Resident External (NRE) Trading & Demat accounts** can be opened by an NRI to invest his/her funds that are sourced from Overseas and the returns from such investments can be repatriated back to foreign currency. **NRE PIS Bank Account** needs to be registered with this Trading & Demat account.

**Portfolio Investment Scheme (PIS):** PIS is the guideline by Reserve Bank of India (RBI) for NRIs who wish to invest in Indian shares through registered Indian Stock Exchanges. NRIs can open their PIS account(s) with the designated banks such as Axis Bank or HDFC Bank only.

**Note:** While an NRI can have any number of Trading & Demat accounts, he/she can not have more than 2 PIS Bank Accounts (1 PIS with NRO status and 1 PIS with NRE status).

## Pre-requisites to open NRO/NRE Trading & Demat accounts

- NRO/NRE Savings Bank Account with any of the designated Banks such as Axis Bank, HDFC Bank etc.
- NRO-PIS or NRE-PIS Bank account linked with the above corresponding NRO/NRE Savings Bank Account.
- Indian PAN Card
- **In case of Indian Passport:** (Valid Passport and Visa)
- **In case of Foreign Passport:** Valid Passport with a Copy of PIO/OCI/Visa as applicable.
- Overseas Address proof (Driving License/ Foreign Passport/ Latest Bank Statement/ Latest Utility Bills)
- 1 Photograph of client & Nominee
- Local address (optional). If client wants any type of communication to the local address, then they can update by providing proofs.

### Account opening Process:

An NRI shall fill the combined (Trading cum Demat) application form of ZEN Securities Ltd. to open the Trading & Demat accounts in either NRO status or NRE status. If the client wishes to open both NRO and NRE Trading and Demat accounts, then 2 separate forms need to be filled and submitted.

The duly filled-in application form(s) with all the signatures of the client and the nominee along with the above said pre-requisites/documents need to be submitted to Zen Securities Ltd.

The application forms are in compliance with the guidelines laid by the regulators/acts such as SEBI, RBI, FEMA etc.

## VERIFICATION OF DOCUMENTS AND IN –PERSON VERIFICATION

In case the client is in India, he/she may visit any of the offices of ZEN Securities Ltd. to submit the application with required proofs along with the original documents for verification. In this case In-Person Verification is also carried by the Employee/Authorized Person of ZEN.

In case the client is placed in overseas while opening the accounts, he/she may get attested the KYC documents ( i.e attesting on the on bottom side of the right corner of page 4 of KYC application and also attesting the xerox copies of other proofs / documents) by any of the following entities, to fulfill the requirement of In-Person Verification process as prescribed by Exchanges:

- Notary Public,
- Court Magistrate,
- Judge,
- Indian Embassy/Consulate General
- Authorized officials of overseas branches of Scheduled Commercial Banks registered in India in the country where the client resides

Once the application form(s) along with required documents are submitted, it shall take around 15 days to open and activate the accounts. Once the account is activated, client shall receive the welcome mail (to the registered email id) with a/c details & contact points at Zen for various services. Clients can now start investing by placing the orders.

### Clients can place the orders by any of the following modes

- Placing the order(s) online through internet (PC/Laptop/Tablet/Mobile Phone)
- Placing the order(s) by calling their Relationship Manager at ZEN Securities Ltd.
- Placing the pre-market/**offline order(s)** through their registered email id to their Relationship Manager at ZEN Securities Ltd.

**Note:** Clients need to ensure sufficient balance in their PIS bank account to meet the purchase orders.

## Bank Accounts

### NRO Savings Bank Account:

This is an ordinary (Rupee) Bank Account for NRIs for their banking needs in Indian currency. This is a non-repatriable account.

### NRE Savings Bank Account:

This is an External Bank Account for NRIs for their banking needs in foreign currency. This is a repatriable account.

### NRO/NRE PIS Bank account

Portfolio Investment Scheme (PIS) Bank account is a guideline by RBI for NRIs wishing to invest in Indian shares through registered Indian Stock Exchanges. This account is an easy way for NRIs to invest in Indian equities. PIS account is used to channel the funds to and from NRI's PIS Bank account to the Stock Broker for their purchase and sale orders of the shares. NRI clients need not file the returns in India for the capital gains for the equity transactions done through their PIS account (unless they have refunds to be claimed from the Govt. of India.).

The designated PIS enabled Banks record the NRI client's purchase & sale orders to calculate and deduct the taxes and also report the same to RBI to comply with guidelines & regulations laid by RBI, FEMA etc and giving a hassle free investment procedure for NRIs.

However, it should be noted that PIS account can be used to route only the funds towards the secondary market transactions and all other investments/charges etc need to be routed through non-PIS savings bank account.

**Note:** NRI Clients can not deposit the funds directly into their NRO-PIS/NRE-PIS Bank Account. They need to deposit the funds into their NRO/NRE Savings Bank Account first and then transfer the funds to their corresponding PIS a/c through online/net Banking or by instructing their Banker through an email from their registered email id.

## Billing Process

When ever you buy/sell any share in your **Trading Account** with **Zen Securities Ltd.**, an electronic bill known as **Contract Note** is auto generated and the same shall be sent to the PIS team of your Banker within 24 hours from the transaction time (to comply with the market regulator SEBI's guidelines) on the same day and the process of funds transfer is as follows...

**When you buy:** Your banker will pay ZEN, the exact amount matching with the contract note from your PIS bank a/c.

**When you sell:** Your banker will pull the funds from ZEN's Bank account, the exact amount matching with the contract note and credit into your PIS bank a/c.

**Other Charges:** You need to instruct your banker through an email in a required format to pay other than purchase of shares charges such as Demat charges, AMC fee and any other charges if applicable from your savings account to Zen Securities Ltd.

**Note:** ZEN Securities Ltd will have access to your PIS account only. Hence, you should have sufficient funds in your PIS account to meet your purchase order(s) before you place them.

You should also not transfer any funds to ZEN Securities Ltd's Bank account directly (not en-routing through your PIS bank account).

### Your capital gains taxes shall be taken care by your Banker:

Your banker will maintain the records of your transactions (buying & the corresponding selling of each of the share) to calculate and deduct the taxes. While RBI says all NRIs must only perform their equity related transactions through PIS account, there is an advantage of transacting through PIS account as you do not need to file the returns in India for equity transactions; unless you have refunds to be claimed from the Govt. of India.