

● YOUR MONEY

Know the rules of relocating abroad

Timing of departure from India can impact your tax liabilities



■ VISHWAS PANJIAR

WHETHER DRIVEN BY the pursuit of a better quality of life, professional advancement or family reasons, relocating internationally involves careful planning. Here are five key aspects that need to be considered before making the move to fly out of India.

Nuances of residency rules

Understanding residency status in both India and the host country is essential, as it affects the tax and other obligations. Factors such as owning property, holding a local driver's license, or maintaining health insurance can influence the residency status in the host country. On the other hand, the timing of departure from India can significantly impact one's tax liabilities, potentially leading to double taxation if not managed properly.

Moving your wealth

As an Indian resident, remittances can be done up to \$250,000 annually. However, amounts over \$5,300 (£7,00,000) face a 30% tax collected at source (TCS). For a NRI, this limit extends up to \$1 million per year. Transferring gifts, such as shares or other valuable assets, is also regulated and therefore moving the wealth outside India requires careful planning. If you are a beneficiary of an Indian trust, the impact of relocation on these assets (and on income earned from these later) should be evaluated to ensure compli-

ance with relevant rules.

Managing assets in India

When relocating, managing your assets and business interests in India requires meticulous planning. This involves restructuring the ownership and management of your assets to ensure operational efficiency and compliance with both Indian and international laws. For those owning businesses, decisions about management structure, delegation of authority, and tax implications must be considered. Your plan for the assets and business in India should efficiently balance regulatory impediments, efficiency and tax obligations.

Financial planning & investment abroad

One needs to understand the financial landscape of their new country, including local investment opportunities, banking regulations, and tax implications. Setting up an effective financial structure can help in capitalising on the new opportunities while leveraging the accumulated wealth in India.

Immigration and visa considerations

Securing the right visa is a critical part of relocating. The type of visa required depends on the purpose—whether for work, study, or permanent residency—and the duration of stay. Additionally, incentives offered by the new country such as relaxed visa norms or tax breaks related to specific investments or assets should be explored. Understanding these opportunities can make transition smoother and potentially offer financial advantages.

The situation and requirements of each individual is different and hence a bespoke plan should be crafted out to ensure a smooth transition.

The writer is partner, Navgia Andersen LLP. With inputs from Raviha Agrawal