



Over view of Indian Citizenship Act, 1955
and
Tax Aspects of Citizenship Planning

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Indian Citizenship - Options

- Dual Citizenship is not allowed
- By Birth
 - Every Person born after 26 Jan 1950 and before 1 July 1987
 - For person born after 01 July 1987 and before 3 Dec 2004 – either of whose parents is a Citizen of India at the time of birth
 - After 3 Dec 2004
 - Both the parents are Citizen of India; or
 - One of whose parent is a Citizen of India and the other is not an illegal migrant at the time of Birth

Indian Citizenship - Options

- By Descent
 - A Person born outside India shall be a Citizen of India by descent if :
 - If father is a Citizen of India for persons born between 26 Jan 1950 and 10th December 1992
 - If born after 10th December 1992 – if either of parents is a Citizen of India at the time of birth
 - Provided that Birth is registered with Indian Consulate within 1 year period and father or either of parents are in service under Government of India

Indian Citizenship - Options

- By Registration
 - On an application being made, following could be registered as Citizen of India
 - Person of Indian Origin, ordinarily resident for seven years before making an application
 - Person of Indian origin who is ordinarily resident in any country or place outside India or undivided India
 - Person married to Citizen of India and is ordinarily resident for seven year before making an application
 - Minor children of persons who are Citizen of India
 - Person of full age whose parents are Citizen of India by Naturalisation
 - Person of full age who, or either of parents, was earlier citizen of Independent India and has been residing in India for one year
 - Person Registered as Overseas Citizen of India for 5 years and has been residing in India for one year before making application.
 - Person of Indian origin is one who or either of parents, was born in undivided India or such other territory which became part of India after 15 August 1947.

Indian Citizenship - Options

- By Naturalisation
 - On application being made to Central government, on being satisfied may grant to him a Certificate of naturalization
 - Provided the applicant has rendered distinguished service to the cause of science, Philosophy, art, literature, world peace or Human progress generally.
 - Such person shall take Oath of allegiance as specified.

Overseas Citizen of India (OCI)

- Any person may be registered as Overseas Citizen of India :
 - Who is citizen of another country, but was a Citizen of India at the time of, or at any time after, the commencement of the Constitution; or
 - Who is Citizen of another country, but was eligible to become a Citizen of India at the time of commencement of the Constitution; or
 - Who is Citizen of another country, but belonged to a territory that become part of India after 15th August 1947
 - Who is child or grand-child or such a Citizen
 - Or A Minor child of any of person mentioned above.

Overseas Citizen of India (OCI) - Benefits

- Grant of Multiple entry lifelong Visa for visiting India for any purpose;
- Exemption from registration with Foreign Regional Registration Officer for any length of stay in India; and
- Parity with Non-Resident Indians in respect of all facilities available to them in economic, financial and educational fields except in matters relating to the acquisition of agricultural or plantation properties.

Overseas Citizen of India (OCI) - Limitation

- OCI is not entitled to :
 1. Equality of Opportunity in public employment
 2. Election as President or Vice-president
 3. Appointment as Judge of Supreme Court or High Court
 4. Registered as Voter
 5. Being a member of House of People, council of State, Legislative Assembly or Legislative Council
 6. Appointment of Public Services and Posts

Renunciation of Citizenship

- If any Citizen of India makes in the prescribed manner a declaration renouncing his Indian Citizenship, the declaration shall be registered by prescribed authority and on such registration, the person shall cease to be Indian Citizen
- Where a person ceases to be a Citizen of India, every minor child of that person shall cease to be a Citizen of India.

Tax Aspects of Citizenship Planning

- Indian Citizen
 - Taxability in India is determined based on whether such Citizen is resident in India or not
 - Test for determining residence is based on physical presence of 182 days or more in India
 - Income Tax Act, FEMA, Black Money Act, etc. is applicable for Person Resident in India.
 - Prevention of Money Laundering Act, 2002 – applies to all and hence Indian Citizens are subject. Similarly, there are other Criminal and civil laws which applies as such.

Tax Aspects of Citizenship Planning

- Overview of Tax Systems for countries discussed today:
 - Grenada
 - No Capital gains or Inheritance taxes
 - For Non residents – only local income is taxable
 - Personal income tax rate is 30% above a prescribed basic exemption limit
 - Antigua and Barbuda
 - No Capital Gains or Inheritance Taxes
 - Personal income for residents global taxation – rates 10% to 25%
 - For Non Residents – only local income is taxable
 - St. Kitts and Nevis
 - No direct taxation in St. Kitts.
 - No Estate Duty, Inheritance or succession tax, gift tax or net wealth tax
 - St. Lucia
 - No Taxation

Tax Aspects of Citizenship Planning

- Portugal
 - There is a wealth tax and Inheritance taxation
 - Person who is resident is subject to global taxation
 - Non residents are taxed only on Income Sourced in Portugal
 - There is also a program of Non Habitual Residents Regime – which is beneficial and available for 10 years.
- Malta
 - No Estate tax or gift tax
 - Person who are resident but not domiciled pay tax only on local income or income remitted to Malta
 - Capital gains is levied only on Immovable property and shares – there is exemption for Main home subject to some conditions.
- Cyprus
 - No Capital gains, wealth tax or Inheritance tax
 - Dividend, Interest and sale of securities are not taxed too.
 - For residents – tax rates ranges from 20% to 30%
 - In 2015 – introduced concept of non domicile tax resident – which has further tax concession available and only taxed on local income

Thank You