

ACHUTAVERSE LLC

COMPREHENSIVE REFERENCE GUIDE

# The Complete **RNOR** Eligibility Guide

Understanding Resident but Not Ordinarily Resident status under the Indian Income Tax Act — and how to use it as the most powerful tax-transition tool available to migrating Indians.

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Edition: March 2026 · Part of the NRI Migration Toolkit

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# 1. What is RNOR?

## Definition Under Section 6 of the Income Tax Act, 1961

Under the Indian Income Tax Act, 1961, every individual's tax liability is determined by their **residential status** for a given Financial Year (April 1 – March 31). Section 6 of the Act doesn't just ask "do you live in India?" — it creates a precise, rule-based framework that categorizes individuals into one of three statuses.

**RNOR — Resident but Not Ordinarily Resident** — is a transitional status. It applies to individuals who qualify as a "Resident" in the current Financial Year but have historically been non-resident. Think of it as a **tax-efficient landing zone**: you are present in India long enough to be "Resident" but your track record of living abroad earns you a partial exemption from India's global taxation net.

## Three Categories of Residential Status

Every individual assessed under the Income Tax Act falls into exactly one of these categories for each Financial Year:

STATUS	ABBREVIATION	WHO QUALIFIES	TAXED ON
<b>Resident and Ordinarily Resident</b>	ROR	Resident in India AND ordinarily resident (does not meet RNOR conditions)	Global income — Indian + foreign
<b>Resident but Not Ordinarily Resident</b>	RNOR	Resident in India BUT meets at least one of the two RNOR conditions (see Chapter 2)	Indian income only (foreign income generally exempt)
<b>Non-Resident Indian</b>	NRI	Not resident in India (fewer than 182 days in FY, subject to exceptions)	Indian income only

## Why RNOR Matters for Migrants: The Tax-Efficient Transition Window

When an NRI returns to India — or when a departing Indian becomes an NRI and later returns — RNOR status creates a **2 to 3 year window** where you are physically present in India (and thus "Resident") but your foreign income remains outside India's tax net. This is not a loophole. It is the express, statutory design of Section 6.

For NRIs with substantial foreign portfolios, overseas business income, or foreign rental properties, the RNOR window is arguably the **single most valuable tax planning tool** available. During this period, you can:

- Receive foreign salary, dividends, and interest **without Indian tax**
- Liquidate foreign investments and recognize capital gains **tax-free in India**

- Continue operating foreign businesses with income remaining **outside India's jurisdiction**
- Repatriate funds to India without the foreign income being added to your Indian taxable income

### Key Takeaway

RNOR is not about being "non-resident." You are a Resident. But the Act treats your foreign income like it would for an NRI — outside the Indian tax net — because your historical stay pattern shows you have been ordinarily living abroad. This is a **transition benefit**, and it expires.

## Tax Treatment Comparison by Residential Status

INCOME TYPE	ROR	RNOR	NRI
Salary received in India	Taxable	Taxable	Taxable
Salary earned & received outside India	Taxable	Not Taxable	Not Taxable
Rental income from Indian property	Taxable	Taxable	Taxable
Rental income from foreign property	Taxable	Not Taxable	Not Taxable
Capital gains on Indian shares/property	Taxable	Taxable	Taxable
Capital gains on foreign shares/property	Taxable	Not Taxable	Not Taxable
Interest on Indian bank deposits	Taxable	Taxable	Taxable
Interest on foreign bank deposits	Taxable	Not Taxable	Not Taxable
Foreign business/professional income	Taxable	Not Taxable	Not Taxable
Dividends from Indian companies	Taxable	Taxable	Taxable
Dividends from foreign companies	Taxable	Not Taxable	Not Taxable
Income deemed to accrue in India (Section 9)	Taxable	Taxable	Taxable

### **Important Nuance**

Notice that RNOR and NRI have **identical tax treatment** for most income types. The difference is in how you qualify: an NRI is not physically present enough to be Resident, while an RNOR *is* physically present (182+ days) but earns the exemption through their historical non-residency. This distinction matters because RNOR individuals must **file Indian tax returns** (they are Residents), while NRIs may not need to depending on their Indian income.

## 2. Eligibility Criteria

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To qualify as RNOR, an individual must first be a **"Resident"** in the current Financial Year. Then, they must satisfy **at least one** of the following two conditions. These are "OR" conditions — meeting either one is sufficient.

### Prerequisite: You Must Be "Resident" First

Before RNOR even comes into play, you must qualify as a Resident of India for the current Financial Year. The basic rule under Section 6(1):

- You are **Resident** if you are in India for **182 days or more** during the Financial Year, OR
- You are Resident if you are in India for **60 days or more** during the FY AND **365 days or more** during the 4 preceding FYs (with exceptions for Indian citizens/PIOs returning from abroad, where 60 days becomes 182 days or, in some cases, 120 days for high-income individuals under the 2020 amendment)

#### Critical Point

If you are an **NRI** in the current Financial Year (i.e., you do NOT meet the Resident threshold), then RNOR does not apply to you. You are already NRI, which has the same foreign income exemption. RNOR only matters when you have **returned to India** and are spending enough time to be classified as "Resident" — but your history of living abroad gives you a transitional benefit.

### Condition 1: NRI in 9 out of 10 Preceding Financial Years

The individual was a **Non-Resident in India in 9 out of the 10 Financial Years preceding the current Financial Year.**

This means: look back at the last 10 Financial Years before the current one. If you were NRI (i.e., spent fewer than 182 days in India) in at least 9 of those 10 years, this condition is met.

- **Who this benefits:** Long-term NRIs who lived abroad for nearly a decade or more and are now returning to India.
- **Example:** An individual who left India in FY 2014-15 and lived abroad continuously until FY 2025-26, when they return. For FY 2025-26, the preceding 10 FYs are 2015-16 through 2024-25. If they were NRI in all 10 of those years, this condition is clearly met.

### Condition 2: Total Days in India $\leq$ 729 in Preceding 7 Financial Years

The individual's **total stay in India during the 7 Financial Years preceding the current FY was 729 days or fewer.**

This means: add up every single day you spent in India across the last 7 Financial Years. If the total is 729 or below, this condition is met.

- **Who this benefits:** NRIs who visited India regularly (festivals, family, business) but kept their total days within the threshold.
- **Average:** 729 days over 7 years = approximately **104 days per year**. So if you visited India for about 3.5 months per year on average, you are right at the limit.

#### Pro Tip

You only need to meet **one** of these two conditions. Many long-term NRIs will meet both, but check each independently. A person who was NRI for 8 out of 10 years (fails Condition 1) might still have total days  $\leq 729$  in the preceding 7 FYs (passes Condition 2), and that is enough for RNOR.

## Financial Year Definition

The Indian Financial Year runs from **April 1 to March 31**. All day counts, residency determinations, and preceding-year calculations follow this calendar. When this guide says "FY 2025-26," it means the period from April 1, 2025 to March 31, 2026.

Days of arrival and departure are both counted as days of stay in India. This is the generally accepted position, though some practitioners argue only the arrival day counts. **We recommend counting both** to stay conservative.

## The Complete Decision Flow

STEP	QUESTION	IF YES	IF NO
1	Were you in India for 182+ days this FY?	Go to Step 2	You are NRI. Stop here.
2	Were you NRI in 9 of the 10 preceding FYs?	You are RNOR.	Go to Step 3
3	Were total days in India $\leq 729$ in preceding 7 FYs?	You are RNOR.	You are ROR.

#### 2020 Amendment Note

The Finance Act 2020 introduced additional conditions: Indian citizens or PIOs with Indian income exceeding ₹15 lakh may become "deemed resident" under certain conditions (Section 6(1A)), even with fewer than 182 days. If deemed resident, they can also qualify as RNOR if the above conditions are met. Consult your tax advisor for cases involving the deemed-resident provision.

## 3. Calculating Your RNOR Window

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RNOR is not permanent. It is a **time-bound window** determined by your historical stay pattern. This chapter walks you through the exact calculation, step by step, with three worked examples covering the most common scenarios.

### The Four-Step Calculation Process

- 1 List Your Days in India for the Last 10 Financial Years.** Create a table of every Financial Year going back 10 years from the current FY. For each year, record the exact number of days you were physically present in India. Use passport stamps, immigration records, or airline records for precision.
- 2 Check Condition 1 — NRI in 9 of 10 Preceding FYs.** For each of the 10 preceding Financial Years, determine whether you were NRI (fewer than 182 days in India). Count how many of those 10 years you were NRI. If the count is 9 or more, Condition 1 is met.
- 3 Check Condition 2 — Total Days  $\leq$  729 in Preceding 7 FYs.** Take the 7 Financial Years immediately preceding the current FY. Sum the total days in India across all seven. If the total is 729 or fewer, Condition 2 is met.
- 4 Apply the Result.** If you are Resident in the current FY (182+ days) AND either Condition 1 or Condition 2 is satisfied, you are RNOR for the current Financial Year.

#### Year-by-Year Determination

RNOR status is determined **independently for each Financial Year**. You do not get a blanket 2-3 year approval. Each year, you must re-check whether the conditions are still met based on the rolling 10-year and 7-year windows. As years pass, the window shifts, and eventually neither condition will be satisfied — at which point you become ROR.

### Worked Example 1

#### Promoter who left India in 2019, returning to India in FY 2025-26

Rajesh (anonymized) is a business promoter. He lived in India his entire life until March 2019, then moved to Dubai. He plans to return to India in FY 2025-26 (spending 200 days in India).

### Step 1 — Days in India (Preceding 10 FYs for FY 2025-26)

FY 2015-16: 365 days (Resident) | FY 2016-17: 365 days (Resident) | FY 2017-18: 365 days (Resident) | FY 2018-19: 340 days (Resident) | FY 2019-20: 30 days (NRI) | FY 2020-21: 15 days (NRI) | FY 2021-22: 20 days (NRI) | FY 2022-23: 25 days (NRI) | FY 2023-24: 30 days (NRI) | FY 2024-25: 40 days (NRI)

**Step 2 — Condition 1:** NRI in 6 out of 10 preceding FYs (2019-20 through 2024-25). Needs 9 out of 10. **Condition 1 = NOT MET.**

**Step 3 — Condition 2:** Total days in preceding 7 FYs (2018-19 through 2024-25):  $340 + 30 + 15 + 20 + 25 + 30 + 40 = 500$  days.  $500 \leq 729$ . **Condition 2 = MET.**

**Result:** Rajesh is RNOR for FY 2025-26. His foreign income (Dubai business income, UAE investments) is not taxable in India despite him spending 200 days in India.

**But what about FY 2026-27?** The preceding 7 FYs shift to 2019-20 through 2025-26. Total:  $30 + 15 + 20 + 25 + 30 + 40 + 200 = 360$  days. Still  $\leq 729$ . **RNOR continues.**

**FY 2027-28?** Preceding 7 FYs: 2020-21 through 2026-27. If he stays 300+ days in FY 2026-27:  $15 + 20 + 25 + 30 + 40 + 200 + 300 = 630$ . Still  $\leq 729$ . **RNOR continues, but barely.**

**FY 2028-29?** Preceding 7 FYs start from 2021-22. The early NRI years start dropping off. If Rajesh is now spending 350 days/year in India, the total will exceed 729. **RNOR expires. He becomes ROR.**

## Worked Example 2

### Long-term NRI visiting India 90 days/year — when does RNOR expire?

Priya (anonymized) has been an NRI in London since 2005. She visits India for about 90 days each year (festivals, family). In FY 2025-26, she plans to return permanently, spending 250 days in India.

**Step 1:** FY 2015-16 through 2024-25: approximately 90 days each year (all NRI). Total NRI years: 10 out of 10.

**Step 2 — Condition 1:** NRI in 10 out of 10 preceding FYs. Needs 9 out of 10. **Condition 1 = MET.**

**Step 3 — Condition 2 (also checking):** 7 FYs x 90 days = 630 days.  $630 \leq 729$ . **Condition 2 = ALSO MET.**

**Result:** Priya is RNOR for FY 2025-26 (both conditions satisfied).

## How long does it last?

FY 2026-27: Condition 1 — NRI in 9 out of 10? FYs 2016-17 through 2024-25 = 9 NRI years, FY 2025-26 = Resident. That is 9/10. **Still RNOR.**

FY 2027-28: Condition 1 — FYs 2017-18 through 2025-26 = 8 NRI, 2025-26 and 2026-27 = Resident. 8/10.

**Condition 1 fails.** Check Condition 2: preceding 7 FYs include more Resident years. If she is in India 300+ days from 2026-27 onward, total will exceed 729 quickly.

**Priya's RNOR window: FY 2025-26 and FY 2026-27 (2 years).**

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## Worked Example 3

### Lifelong Indian resident leaving for UAE — does RNOR apply?

Amit (anonymized) has lived in India his entire life (365 days/year in India). He moves to Dubai in January 2026 and plans to be NRI from FY 2026-27 onward. Does he get RNOR?

**For FY 2025-26:** Amit was in India from April 2025 to January 2026 = approximately 300 days. He is Resident.

Condition 1: NRI in 9 of 10 preceding FYs? He was Resident in ALL 10 preceding FYs. **Condition 1 = NOT MET.**

Condition 2: 7 FYs x 365 days = 2,555 days. 2,555 > 729. **Condition 2 = NOT MET.**

**Result:** Amit is ROR (Resident and Ordinarily Resident) for FY 2025-26. He is taxed on his global income. RNOR does NOT apply because he was never NRI in the preceding years.

**Key insight:** RNOR is designed for people *returning* to India after being abroad, not for people *leaving* India. If you've been in India your whole life, you go from ROR to NRI when you leave (once you spend fewer than 182 days in a FY). There is no RNOR in between. The RNOR benefit comes later — if and when you return to India after spending years abroad.

### Key Takeaway

The typical RNOR window lasts **2 to 3 Financial Years** after returning to India, provided you were NRI for a sufficiently long period. Long-term NRIs (10+ years abroad) may get up to 3 years. Those who were abroad for only 6–7 years may get only 1–2 years. Every extra year you spend as NRI extends your potential RNOR window when you return. **Plan your return date strategically.**

## 4. Tax Benefits During RNOR

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This chapter specifies exactly what is and is not exempt during your RNOR period. Precision matters here — overstating the benefit can lead to compliance issues, and understating it means leaving money on the table.

### The Core Rule: Foreign Income Is Not Taxable

Under Section 5(1) read with Section 6, an RNOR individual is **not taxable on income that accrues or arises outside India** unless it is derived from a business controlled in or a profession set up in India. In practical terms:

#### What Counts as "Foreign Income" (Not Taxable During RNOR)

- **Salary earned and received outside India** — for services rendered outside India, paid into a foreign bank account
- **Business income from operations outside India** — revenue from a business that operates outside India (important: the business must not be "controlled in" India)
- **Capital gains on foreign assets** — gains from selling foreign shares, foreign mutual funds, foreign property, foreign bonds
- **Rental income from foreign property** — rent received from properties located outside India
- **Interest on foreign bank accounts** — savings, fixed deposits, or other interest earned on accounts held outside India
- **Dividends from foreign companies** — dividends from companies incorporated outside India
- **Pension from foreign employer** — pension received from a non-Indian employer for services rendered abroad

#### What IS Still Taxable During RNOR

RNOR is not a blanket exemption. The following income remains taxable even during your RNOR period:

- **Income received or deemed to be received in India** — if foreign income is *received* in India (e.g., credited to an Indian bank account), it becomes taxable
- **Income that accrues or arises in India** — salary for services rendered in India, business income from Indian operations, rent from Indian properties
- **Capital gains on Indian assets** — sale of Indian shares, Indian mutual funds, Indian real estate: all taxable under Section 9
- **Income deemed to accrue in India under Section 9** — this includes salary for services rendered in India, income from a business connection in India, income from assets/capital assets in India, dividends from Indian companies, interest from Indian deposits
- **Income from a business controlled in India** — even if the business operates abroad, if it is "controlled and managed" from India, the income is taxable

### Common Trap: Business "Controlled in India"

If you run a business from Dubai but all key decisions are made while you are sitting in India, the income may be treated as Indian income. During RNOR, ensure that foreign business decisions are demonstrably made outside India — board meetings, signing authority, and operational control should be in the foreign jurisdiction. **Do not assume that having a foreign company automatically means foreign income.**

## Comprehensive Tax Treatment Table

INCOME TYPE	SOURCE	ROR	RNOR	NRI
Salary	Services in India	Taxable	Taxable	Taxable
Salary	Services outside India, received abroad	Taxable	Exempt	Exempt
Salary	Services outside India, received in India	Taxable	Taxable	Taxable
House Property	Indian property	Taxable	Taxable	Taxable
House Property	Foreign property	Taxable	Exempt	Exempt
Capital Gains	Indian shares (listed)	Taxable	Taxable	Taxable
Capital Gains	Indian real estate	Taxable	Taxable	Taxable
Capital Gains	Foreign shares/property	Taxable	Exempt	Exempt
Business Income	Business controlled in India	Taxable	Taxable	Conditional
Business Income	Business controlled outside India	Taxable	Exempt	Exempt
Interest	Indian deposits (NRO/NRE/FD)	Taxable	Taxable	Taxable
Interest	Foreign deposits	Taxable	Exempt	Exempt
Dividends	Indian companies	Taxable	Taxable	Taxable
Dividends	Foreign companies	Taxable	Exempt	Exempt

**Pro Tip: NRE Account Interest**

NRE fixed deposit interest is tax-free for NRIs under Section 10(4)(ii). However, once you become Resident (including RNOR), the NRE account must be redesignated as a resident account or RFC account. Interest on RFC (Resident Foreign Currency) accounts is exempt under Section 10(4B) — **even during RNOR and ROR status**, provided the account is maintained in foreign currency. This is a separate exemption from RNOR and can continue even after RNOR expires. Consult your banker on RFC account setup.

## 5. Capital Gains Sequencing Strategy

The RNOR window creates a unique opportunity to **sequence the timing of asset sales** to minimize total tax liability across jurisdictions. This is not about avoiding tax — it is about using the statutory framework to ensure you do not pay tax unnecessarily in a jurisdiction where you are not obligated to.

### Why Timing Matters

Capital gains tax is triggered at the **point of sale**. Your residential status in the Financial Year of sale determines where and how the gain is taxed. The same asset sold one year earlier or one year later can have a dramatically different tax outcome.

ASSET SOLD	SOLD DURING NRI PERIOD	SOLD DURING RNOR PERIOD	SOLD DURING ROR PERIOD
Indian listed shares (LTCG)	Taxable in India (12.5% above ₹1.25L)	Taxable in India (12.5% above ₹1.25L)	Taxable in India (12.5% above ₹1.25L)
Indian real estate	Taxable in India (12.5% without indexation for sales after 23 July 2024. For properties acquired before 23 July 2024, taxpayers may choose: 20% with indexation OR 12.5% without — whichever results in lower tax.)	Taxable in India (same rules)	Taxable in India (same rules)
Foreign listed shares	Not taxable in India	Not taxable in India	Taxable in India
Foreign real estate	Not taxable in India	Not taxable in India	Taxable in India
Foreign mutual funds	Not taxable in India	Not taxable in India	Taxable in India
Indian unlisted shares	Taxable in India (20% LTCG / slab rate STCG)	Taxable in India (20% LTCG / slab rate STCG)	Taxable in India (20% LTCG / slab rate STCG)

## Strategy 1: Liquidate Foreign Assets During RNOR

If you hold foreign shares, foreign mutual funds, or foreign property, consider selling them **during your RNOR period**. The capital gains will not be taxable in India. If the foreign jurisdiction (e.g., UAE) also does not tax capital gains, the sale could be **entirely tax-free**.

### Pro Tip

UAE does not levy personal income tax or capital gains tax. If you are RNOR in India and sell a UAE-held asset, the gain is exempt in India (foreign income during RNOR) and exempt in UAE (no capital gains tax). This is a **zero-tax event** on the capital gain. This is exactly why the RNOR window is so valuable for individuals migrating between UAE and India.

## Strategy 2: Sequence Indian Asset Sales Strategically

Indian asset gains are taxable regardless of your residential status (ROR, RNOR, or NRI). However, the strategy changes based on **which exemptions you can claim**:

- **Section 54:** Exempt LTCG on residential property if reinvested in another residential property within specified timelines. Available to all residents (including RNOR).
- **Section 54EC:** Exempt LTCG on any capital asset (up to ₹50L) if invested in specified bonds (NHAI/REC) within 6 months. Available to all taxpayers.
- **Section 54F:** Exempt LTCG on any asset (other than house property) if net sale consideration is invested in a residential house. Available if you do not own more than one residential house on the date of sale.

These exemptions are available during RNOR. Use them to **shelter Indian capital gains** during the same window you are sheltering foreign gains through RNOR status.

## Strategy 3: Unlisted Shares — Sequence Carefully

Unlisted Indian shares carry an effective tax rate of 12.5% LTCG without indexation (or slab rate for STCG). For promoters holding significant stakes in unlisted Indian companies, the timing and method of exit matters:

- Consider **restructuring** the holding before exit (e.g., converting to a holding company, or doing a share swap)
- If the company is being taken public, time the listing relative to your RNOR expiry
- For share buybacks, evaluate whether buyback tax (under Section 115QA) applies differently based on timing

## Strategy 4: Defer Foreign Asset Sales to RNOR Period

If you know you will be returning to India and becoming Resident, but currently hold foreign assets with unrealized gains:

- **Do not sell** them during your NRI period (the gain would not be taxable anyway)

- **Do not sell** them after RNOR expires (the gain would be taxable as ROR)
- **Sell during RNOR** if you want to liquidate, rebalance, or repatriate
- If the foreign jurisdiction taxes the gain, check if DTAA relief applies to avoid double taxation

#### **Warning: Cost Basis Reset**

There is **no cost basis reset or step-up** when you change residential status. The cost of acquisition remains the original purchase price (or fair market value as of a specified date, depending on the asset type and holding period). Do not assume that becoming RNOR resets your cost basis to current market value. Plan your sale price and holding period accordingly.

#### **Key Takeaway**

The sequencing principle is simple: **sell foreign assets during RNOR (exempt in India), shelter Indian gains using Section 54/54EC/54F, and avoid selling anything in the FY when you become ROR unless necessary.** Every asset sale should be timed with your residential status transition in mind.

## 6. Common Mistakes That Waste the Window

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The RNOR window is finite and non-renewable. Once it expires, it is gone forever (unless you leave India again and rebuild NRI years). These are the seven most common mistakes we see — each one has cost real people real money.

**1 Not Tracking Days Precisely.** One day can change your entire residential status. Being in India for 182 days makes you Resident; 181 days keeps you NRI. Being in India for 730 days over 7 years (instead of 729) disqualifies you from Condition 2 of RNOR. Yet many NRIs rely on approximate counts, memory, or rough estimates. Always use passport stamps and immigration records. Maintain a spreadsheet updated after every trip. Count both arrival and departure days to stay conservative.

**2 Selling Assets at the Wrong Time.** Selling foreign assets before the RNOR period begins (while still NRI) wastes the opportunity — you would have been exempt anyway as NRI. Selling after RNOR expires (as ROR) means the gain is fully taxable. The worst case: selling Indian assets during RNOR thinking they are exempt (they are not — Indian-source capital gains are always taxable in India). Know which assets are exempt during which status, and time sales accordingly.

**3 Confusing NRI with RNOR.** NRI and RNOR have similar tax treatment for foreign income, but they are fundamentally different statuses. NRI means you are not present enough to be Resident. RNOR means you ARE Resident but get a transitional exemption. The key difference: RNOR individuals must file Indian tax returns (all Residents must), while NRIs only file if they have taxable Indian income.

**4 Not Filing Returns During RNOR Years.** Since RNOR individuals are Residents, they are subject to all Resident filing obligations. If your total income (Indian-source) exceeds the basic exemption limit, you MUST file an ITR. Even if your total tax liability is zero (because foreign income is exempt), filing establishes your RNOR claim on record. Not filing means no documented proof that you claimed RNOR, which creates risk during assessment.

**5 Ignoring Section 9 Deemed Income Rules.** Section 9 deems certain income to accrue in India regardless of where it is received. This includes: salary for services rendered in India (even if paid abroad), income from a business connection in India, income through or from any property in India, and dividends from Indian companies. RNOR does not override Section 9. If income is deemed to accrue in India, it is taxable during RNOR.

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**Not Getting a Tax Residency Certificate (TRC).** RNOR protects your foreign income from Indian tax. But what about taxation in the foreign country? If you are no longer considered tax-resident in the foreign country (because you have moved to India), you may lose treaty benefits. A UAE TRC requires you to have been in the UAE for at least 183 days in the preceding 12 months. If you have already moved to India and lost UAE tax residency, you cannot claim DTAA benefits that require a TRC. Get your TRC before you leave the foreign country.

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**Assuming Golden Visa = Tax Residency.** The UAE Golden Visa is a long-term residency permit. It does NOT automatically make you a UAE tax resident. Tax residency in the UAE requires meeting specific criteria (183+ days of physical presence, or having your center of financial and personal interests in the UAE). Having a Golden Visa while living in India does not give you UAE tax residency, and you cannot use it to claim DTAA benefits or avoid Indian tax on foreign income. The visa is for immigration; the TRC is for tax.

### Key Takeaway

Every mistake on this list is avoidable with proper planning. The RNOR window is typically 2–3 years — a narrow window in a lifetime of tax obligations. **Get professional advice before the window opens, not after it closes.**

## 7. Documentation Checklist

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RNOR status is a claim you make on your tax return. If assessed or scrutinized, you must be able to **prove** that you meet the eligibility conditions. This requires documentation of your travel history, foreign residency, and income sources. Prepare these documents *before* filing your return for the RNOR year.

- **Passport with entry/exit stamps** — All passports held during the preceding 10 FYs. If you renewed your passport, keep the old one. Stamps are the primary evidence for day-count calculations.

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  - **Travel history printout from immigration authorities** — Indian Bureau of Immigration can provide a consolidated travel history. Apply through the IVF Online portal. This is more reliable than counting stamps manually.

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  - **Form 2A (Residency Certificate) from the foreign country** — Some countries issue a residency certificate that confirms your resident status for specific years. If available, obtain it for each year you were NRI.

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  - **PAN Card** — Required for filing ITR. If you do not have one, apply before the RNOR period begins. All Residents must have a PAN.

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  - **Aadhaar Card** — Now linked to PAN and required for ITR filing for Residents. If you are an NRI returning, you can apply for Aadhaar upon arrival.

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  - **Bank statements showing foreign income** — Statements from foreign bank accounts showing salary credits, investment income, rental income, and business receipts. This proves the income was earned and received abroad.

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  - **Form 10F (for DTAA claims)** — If you are claiming benefits under a Double Taxation Avoidance Agreement (e.g., India-UAE DTAA), Form 10F must be filed electronically. This form requires details of your foreign tax residency.

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  - **UAE Tax Residency Certificate (TRC)** — Issued by the UAE Federal Tax Authority. Valid for one year. Required for claiming DTAA benefits. Apply before you leave the UAE. Processing takes 30–60 days.

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  - **ITR filed for each year in the RNOR period** — File your return declaring your residential status as RNOR. Use ITR-2 or ITR-3 as applicable. Declare all Indian income, claim RNOR exemption on foreign income, and include Schedule FA (Foreign Assets) if you hold foreign assets exceeding specified thresholds.

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  - **Schedule FA — Foreign Asset Reporting** — All Residents (including RNOR) must report foreign assets in Schedule FA of the ITR. This includes foreign bank accounts, foreign shares, foreign property, and foreign trusts. Non-reporting can attract penalties under the Black Money Act, 2015.
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- **Day-count calculation sheet** — A detailed spreadsheet showing each trip in and out of India for the preceding 10 FYs, with dates, passport reference, and day count. This is your working paper for claiming RNOR.
- **Employment contracts or business registration documents** — To prove that foreign income was from employment or business outside India, not from an India-controlled business.

### **Black Money Act Compliance**

The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 applies to all Residents, including RNOR. You must report all foreign assets and income in your ITR. Failure to report foreign assets can result in penalties of **₹10 lakh per year** of non-disclosure, and undisclosed foreign income can be taxed at a flat rate of **30% plus penalty**. RNOR exempts you from paying tax on foreign income — it does NOT exempt you from reporting it.

### **Pro Tip: Start Collecting Documents Now**

If you are planning to return to India in 1–2 years, start collecting these documents immediately. Passport stamps fade, banks archive old statements, and government portals have processing delays. The worst time to gather 10 years of travel history is the week before your ITR filing deadline.

## 8. RNOR + DTAA + Golden Visa — The Integrated Approach

Most advisors handle RNOR, DTAA, and Golden Visa as **three separate workstreams**. A tax consultant handles RNOR. An immigration lawyer handles the Golden Visa. A CA handles DTAA filings. None of them talk to each other. This siloed approach is where money falls through the cracks.

### The Three Pillars

PILLAR	WHAT IT DOES	DURATION	KEY BENEFIT
<b>RNOR Status</b>	Exempts foreign income from Indian tax during transition	2–3 Financial Years	Tax-free liquidation of foreign assets
<b>DTAA (India-UAE)</b>	Prevents double taxation on income taxed in both countries	Ongoing (as long as applicable)	Lower withholding rates on NRO deposits, dividends, royalties
<b>UAE Golden Visa</b>	Provides long-term UAE residency (5 or 10 years)	5–10 years (renewable)	Stability, UAE TRC eligibility, no sponsor dependency

#### Pillar 1: RNOR Handles the Transition Period

As detailed in Chapters 1–5, RNOR provides a **2–3 year window** of foreign income exemption when you return to India. This is a one-time benefit based on your historical NRI status. It is the most time-sensitive of the three pillars — once it expires, it is gone.

During this window, prioritize:

- Liquidating foreign assets with unrealized gains
- Repatriating foreign income to India without Indian tax
- Restructuring foreign business holdings
- Converting foreign pensions/annuities to lump sums if advantageous

#### Pillar 2: DTAA Handles Ongoing Cross-Border Taxation

The India-UAE Double Taxation Avoidance Agreement (DTAA) provides ongoing relief, even after RNOR expires:

- **NRO deposits:** Interest is taxed at 30% in India by default. Under DTAA, this can be reduced to **12.5%** (with proper TRC and Form 10F filing)
- **Capital gains:** Article 13 of the India-UAE DTAA governs capital gains treatment. Real property gains are taxable in the country where the property is located.

- **Business income:** Only taxable in the country of residence unless there is a "permanent establishment" in the other country
- **Dividends:** Subject to withholding in the source country, with DTAA-prescribed rates

#### DTAA Stacks with RNOR

During the RNOR period, you can claim **both** RNOR exemptions and DTAA benefits simultaneously. For example, foreign income is exempt under RNOR, and Indian-source income (like NRO interest) can claim reduced withholding under DTAA. After RNOR expires and you become ROR, DTAA benefits continue to apply to cross-border income — making DTAA the longer-lasting benefit of the two.

### Pillar 3: Golden Visa Handles Residency and Stability

The UAE Golden Visa is not a tax tool — it is an immigration tool. But it has critical tax implications:

- **UAE TRC eligibility:** A Golden Visa makes it easier to maintain UAE residency status, which is a prerequisite for obtaining a UAE TRC (needed for DTAA claims)
- **No sponsor dependency:** Unlike standard employment visas, the Golden Visa does not terminate if you change jobs or close a business
- **Multiple entry:** Allows you to move between India and UAE freely, which is essential for maintaining the right day-count for RNOR calculations
- **Property investment route:** AED 2M+ property investment qualifies for a 10-year Golden Visa, and the property itself can generate rental income (tax-free in UAE)

#### Golden Visa is Not Enough

Having a Golden Visa does NOT make you a UAE tax resident. You must **separately apply for a UAE TRC** from the Federal Tax Authority, and you must meet their criteria (183+ days of presence in UAE, or center of financial/personal interests in UAE). Many NRIs hold a Golden Visa while living primarily in India — they are NOT UAE tax residents and cannot claim DTAA benefits.

### The Achutaverse "Wealth Bridge" Framework

Our proprietary **Wealth Bridge** framework integrates all three pillars into a single, coordinated plan. Here is what this looks like in practice:

PHASE	TIMELINE	ACTIONS	PILLAR
<b>Pre-Migration</b>	12–6 months before move	Day-count audit, RNOR eligibility mapping, Golden Visa application, foreign asset inventory	RNOR + GV
<b>Migration Year</b>	FY of move	Obtain UAE TRC, file Form 10F, restructure NRO/NRE accounts, begin RNOR period if returning to India	All Three
<b>RNOR Window</b>	Years 1–3 after return	Liquidate foreign assets, claim RNOR exemption on ITR, file Schedule FA, repatriate funds, claim DTAA on NRO interest	RNOR + DTAA
<b>Post-RNOR</b>	Year 4+ after return	Continue DTAA claims on cross-border income, maintain Golden Visa for UAE access, optimize RFC accounts	DTAA + GV

## Why Doing Them Separately Leaves Money on the Table

- **Timing misalignment:** If you get your Golden Visa after moving to India (instead of before), you may miss the window to obtain a UAE TRC, losing DTAA benefits during your RNOR period
- **Asset sequencing errors:** Without RNOR-aware financial planning, you might sell foreign assets after RNOR expires (now taxable as ROR) instead of during the window
- **Duplicate taxation:** Without DTAA filing, your NRO deposits lose 30% to TDS instead of 12.5%. Over a large NRO balance, this is significant
- **Documentation gaps:** The TRC, Form 10F, ITR with RNOR declaration, and Schedule FA are all interconnected. Missing one document can invalidate the others
- **Day-count conflicts:** Your travel schedule affects RNOR eligibility (India days) AND UAE TRC eligibility (UAE days). Without a coordinated plan, optimizing for one can break the other

### Key Takeaway

RNOR, DTAA, and Golden Visa are three sides of the same triangle. Each one is valuable alone, but the real power comes from **integrating all three with precise timing**. This is the core of Achutaverse's Wealth Bridge framework: we synchronize your Indian exit with your Dubai entry, so that every pillar reinforces the others.

**Disclaimer:** This guide is for informational purposes only and does not constitute legal, tax, or financial advice. Tax laws are subject to change, and individual circumstances vary. The information is based on the Indian Income Tax Act, 1961 as applicable through Assessment Year 2026-27. Always consult a qualified Chartered Accountant or tax professional before making decisions based on this guide. Achutaverse LLC is a strategic advisory firm and does not provide licensed tax filing or legal services directly. All case studies and examples are fictional and for illustrative purposes only.

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