Context: More than a year before Parliament amended the citizenship law (Citizenship Amendment Act), the Reserve Bank of India amended the Foreign Exchange Management (Deposit) Regulations, 2016, enabling persons belonging to minority communities — Hindus, Sikhs, Buddhists, Jains, Parsis and Christians — from Bangladesh and Pakistan, and residing in India, to open an NRO account (Non-Resident Ordinary Rupee Account Scheme). Such NRO accounts can be converted into a regular bank accounts once they become citizens of India.

- However, as in the case of CAA, Muslims from these two countries are excluded from the list of religious communities who can apply for such accounts.

What is an NRO account?

- An NRO account is a savings or current account held in India that helps non-resident Indians manage income earned in India such as rent, dividends, interest or pension.
- An NRI can open a joint NRO account with one or more NRIs or Indian citizens.
- According to the Foreign Exchange Management (Deposit) (Amendment) Regulations, 2018, issued by the RBI on November 9, 2018, `a person being a citizen of Bangladesh or Pakistan belonging to minority communities in those countries, namely Hindus, Sikhs, Buddhists, Jains, Parsis and Christians, who is residing in India and has been granted a Long Term Visa (LTV) by the Central Government is permitted to open with an authorized dealer only one NRO Account.`
- The said NRO account shall be converted to a resident account once the person becomes a citizen of India within the meaning of the Citizenship Act, 1955. Such accounts can be opened by Authorised Dealers only.
- The RBI notification allowed even those who have applied for LTV to open the NRO account subject to a review every six months.
A person being a citizen of Bangladesh or Pakistan belonging to minority communities in those countries, namely Hindus, Sikhs, Buddhists, Jains, Parsis and Christians, who is residing in India and has applied for a Long Term Visa (LTV) which is under consideration of the Central Government is permitted to open with an authorised dealer only one NRO account which will be opened for a period of six months and may be renewed at six monthly intervals subject to the condition that the individual holds a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned. Such accounts can be opened by authorised dealers only,” the RBI notification said.

Can a Bangladeshi or Pakistani national or an entity owned or controlled from Bangladesh or Pakistan have an account in India?

- Opening of accounts by individuals or entities of Pakistan nationality or ownership and entities of Bangladesh ownership requires prior approval of the Reserve Bank.
- The opening of such NRO accounts will be subject to reporting the details of the accounts opened by the concerned authorised bank to “the Ministry of Home Affairs (MHA) on a quarterly basis as instructed vide AP (DIR Series) Circular No. 28 dated March 28, 2019”, the RBI says.
- “However, individuals of Bangladesh nationality can open an NRO account subject to the individual(s) holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned,” it says.