

Twitter Thread by Divya Mittal

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How to invest in US stocks?

- Online Brokers
- Taxation
- Yearly Limits
- Online research sites for US stocks

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What are some platforms that allow opening a US investment account?

- Groww
- Interactive Brokers
- Vested
- many others

You may like to read reviews online before opening an account with any provider.

Is there a statutory limit on investment?

As Indian resident, RBI's Liberalized Remittance Scheme lets you remit upto \$250,000 per year, per person. Above that, permission from RBI is required.

What are the capital gains tax on foreign stocks?

- US doesn't tax capital gains for us. However, tax applicable in India.

LTCG:- applicable if held above 24 months. Taxed @20% with indexation benefit

STCG:- if held for less than 24 months, Taxed at your income tax slab rate

What is the tax on dividends earned?

- Dividends taxed at flat 25% in US
- Also taxable at your income tax slab rate in India
- As per Double Tax Avoidance Agreement, tax withheld in US offsets tax liability in India

So tax to you is 25% or your tax rate, which ever is higher

Is there any tax deducted at source for the remittance?

5% Tax is collected at source for remittance over Rs 7 lakhs. This can be claimed as refund in ITR

For less than Rs 7 Lakh per year, no tax deducted at source

If I don't want to open a direct US investing account, what are some other ways to take exposure to foreign markets?

- By investing in MFs/ETFs listed in India
- No overseas account required.
- No amount limit
- Expense ratio and costs could be higher

What are some such Mutual Funds and ETFs?

MFs:-

- Franklin US Opportunities fund
- Nippon India US Equity Opportunities Fund
- Many others

ETFs:-

- MON100 for Nasdaq exposure
- Motilal Oswal S&P 500 Index Fund
- Mirae Asset NYSE FANG+ ETF (NSE:MAFANG)

What is the taxation policy for such ETFs?

LTCG:- applicable if held above 36 months. Taxed @20% with indexation benefit

STCG:- if held for less than 36 months, Taxed at ur income tax slab rate

What are some risks in investing abroad ?

- Foreign exchange risk (If INR appreciates, you incur loss)
- Capital control risks - The country could impose controls and prevent taking money out (eg Rus)

Sites for researching US stocks:

- SeekingAlpha- for news
- <https://t.co/RpzEnS0DCf> - for Charts, news
- TIKR- for financials

- Stockrover - for screener, research
- Dataroma - for superinvestor portfolios
- OpenInsider - for insider transactions

Disclaimer: None of the above may be construed as investment advice or promotion. Views are personal and not of the government.

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— Divya Mittal (@divyamittal_IAS) September 6, 2022