Twitter Thread by Intrinsic Compounding

Intrinsic Compounding
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NSE IFSC - How to Invest in US Stocks ■■ from India ■■?
#NSEIFSC #USSTOCKS

A detailed Thread on the NSE IFSC route for investing in US Stocks for Indian Retail Investors ■

RETWEET FOR MAX REACH

Major FAQ's ■■■■■
1. What is this all about?
2. What can we buy?
3. How can we buy?



4. Who can buy?
5. How much can we buy?
6. What benefits?
7. Exchange timings & modalities?
8. Any risks?

Ever heard of FAANG, Metaverse Stocks & a whole host of stocks that seem so promising but yet so out of reach. Within this global village, information is traveling at a speed of light, so are our expectations from our PF.



There has been a rage in people to invest globally via indirect means as directly investing in US Stocks has been cumbersome & mostly people feel that unease of dealing with currency conversion & taxation.

But now NSE through its subsidiary exchange is making things simpler.

Let's dive in to understand more:-

1. What is this all about?

NSE IFSC (NSE International Exchange) incorporated on Nov 29, 2016, is a wholly-owned subsidiary of NSE.

This exchange located at GIFT City (Gujarat International Finance Tech City) will facilitate trading & investing in US Stocks from March 3, 2022. Till now Indian investors used to remit funds & buy stocks that were held in the US only with registered brokers.

Whereas now investors will be given NSE IFSC Receipts. These receipts are derivatives having the stock as an underlying. Investors can directly buy & sell these receipts in India through the NSE IFSC exchange.

These will be treated as foreign assets & short term capital gains (before 1 year) will be taxed at slab rates & long term (beyond 1 year) will be taxed at 20% with indexation.

2. What can we buy?

As of today, a total of 50 stocks from the USA have been approved for listing on NSE IFSC Exchange. A list of all 50 stocks with their depository receipt ratio is attached below.

A receipt holder will have proportionate beneficial interest in the underlying share, ratio can expressed as 1:N (eg 1:100, 1 share of Tesla for 100 receipts). This facilitates fractional ownership too, making it more lucrative for retail investors.

PS: on the 1st day only 8 shares will be listed (Amazon, Tesla, Alphabet, Meta, Microsoft, Netflix, Apple & Walmart), others will be added later.

DR Ratio

NSE IFSC RECEIPTS

NSE IFSC RECEIPTS

List of US Stocks and Ratio

Name	Symbol	DR Ratio	Name	Symbol	DR Ratio
APPLE INC	AAPL	25	PEPSICO INC	PEP	25
MICROSOFT CORPORATION	MSFT	50	CISCO SYSTEMS INC	CSCO	5
AMAZONCOM INC	AMZN	200	ELI LILLY AND COMPANY	LLY	25
TESLA INC	TSLA	100	NIKE INC	NKE	25
ALPHABET INC	GOOGL	200	SALESFORCECOM INC	CRM	25
META PLATFORMS INC	FB	50	THERMO FISHER SCIENTIFIC INC	TMO	50
NVIDIA CORPORATION	NVDA	25	COMCAST CORPORATION	CMCSA	5
JOHNSON & JOHNSON	JNJ	25	ABBOTT LABORATORIES	ABT	25
UNITEDHEALTH GROUP INCORPORATED	UNH	50	COSTCO WHOLESALE CORPORATION	COST	50
JP MORGAN CHASE & CO	JPM	25	VERIZON COMMUNICATIONS INC	VZ	5
BERKSHIRE HATHAWAY INC NEW	BRK.B	50	WELLS FARGO & COMPANY	WFC	5
PROCTER & GAMBLE COMPANY	PG	25	ORACLE CORPORATION	ORCL	5
WALMART INC	WMT	25	MERCK & COMPANY INC	MRK	5
HOME DEPOT INC	HD	50	DANAHER CORPORATION	DHR	25
BANK OF AMERICA CORPORATION	BAC	5	PAYPAL HOLDINGS INC	PYPL	25
VISA INC	V	25	INTEL CORPORATION	INTC	5
MASTERCARD INCORPORATED	MA	50	QUALCOMM INCORPORATED	QCOM	25
EXXON MOBIL CORPORATION	XOM	5	MCDONALD'S CORPORATION	MCD	25
PFIZER INC	PFE	5	NETFLIX INC	NFLX	50
COCA-COLA COMPANY	KO	5	MORGAN STANLEY	MS	25
WALT DISNEY COMPANY	DIS	25	AT&T INC	T	5
CHEVRON CORPORATION	CVX	25	TEXAS INSTRUMENTS INCORPORATED	TXN	25
ADOBE INC	ADBE	50	PHILIP MORRIS INTERNATIONAL INC	PM	25
ABBVIE INC	ABBV	25	LOWE'S COMPANIES INC	LOW	25
BROADCOM INC	AVGO	50	CHARLES SCHWAB	SCHW	5

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3. How can we buy?

NSE IFSC has listed the trading members or brokers. All an investor needs to do is open a trading & Demat account with such broker & transfer funds using a regular bank account into the broker's bank account.

Once the funds get reflected in the broker's bank account, Voila! You are all set to buy into the world of FAANG & Metaverse. You can find the list of brokers below.

List of Brokers

NSE IFSC RECEIPTS

LIST OF MEMBERS - NSEIFSC				
Member Name	**Member Code**	**Membership Category**	**Address**	**Email Id**
ANAND RATHI INTERNATIONAL VENTURES (IFSC) PRIVATE LIMITED	10048	TM	Unit No. 634, Signature Tower, 6th Floor, Block No. 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	giftifsc@rathi.com
ARIHANT CAPITAL (IFSC) LIMITED	10026	TM	Unit No. 424, Signature Building, Fourth Floor, Block 13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@arihantcapital.com
DAGA BUSINESS (INTERNATIONAL) STOCK BROKERS (IFSC) PRIVATE LIMITED	10041	TM	Unit No. 228, Signature Building, Second Floor, Block 13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@dbonline.in
DIVYA PORTFOLIO (IFSC) PRIVATE LIMITED	10003	TM	Unit 230, Signature Tower, Block 13B, Road 1 C, Zone-1, Gift Sez, Gift City, Gandhinagar - 382355.	divyaportfolioifsc@gmail.com
DOLAT CAPITAL IFSC PRIVATE LIMITED	10035	TM	Unit No.238,2nd Floor,Signature,13B, Zone Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	systems@dolatcapital.com
DYNAMIC EQUITIES (IFSC) PRIVATE LIMITED	10009	TM	Unit No. 218, Second Floor , Block 13B Zone 1, Signature Building, Gift City Ifsc - 382355	it_compliance@valuestocks.in
EDELWEISS SECURITIES (IFSC) LIMITED	10001	TM-CM	Unit No. - 907 - Signature Tower, Block 13-B, Zone 1, Gift Sez, Gift City,Gandhinagar - 382355.	ifsc.edelweiss@edelweissfin.com
EMKAYGLOBAL FINANCIAL SERVICES IFSC PRIVATE LIMITED	10042	TM	Unit No. 517, Fifth Floor,Signature,13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@emkayglobal.com
ESTEE IFSC PRIVATE LIMITED	10019	TM	Unit No 327, Signature Building, Third Floor, Block 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	ebo@esteeadvisors.com
EXCEL BROKING (IFSC) PRIVATE LIMITED	10007	TM	Unit No. 239, Signature Bulding, Second Floor, Blocl 13B, Zone-I, Gift Sez, Gift City,Gandhinagar - 382355.	mail@excelstockbroking.com
FINDOC INVESTMART (IFSC) PRIVATE LIMITED	10047	TM	Unit No. 303, Signature Building, Third Floor, Block No. 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@myfindoc.com
GATEWAY FINANCIAL SERVICES (IFSC) PRIVATE LIMITED	10014	TM	Unit No. 36/18, Gift Aspire-1, Business Center Ground Floor, Block 12, Road 1D, Zone-1, Gift Sez , Gift City, Gandhinagar - 382355.	gatewaytrust@gmail.com
GLOBE CAPITAL (IFSC) LIMITED	10022	TM-CM	Unit No.223, 2nd Floor, Signature Building, Block 13B, Road 1C, Zone-I, Gift Sez, Gandhinagar -382355, Gujarat.	compliance@globecapital.com
GOGIA CAPITAL IFSC PRIVATE LIMITED	10015	TM-SCM	Unit No. 423, 4th Floor, Signature Building, Block 13-B, Road 1C, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@gogiacap.com
GOLDMINE IFSC PRIVATE LIMITED	10027	TM	Unit No. 321, 3rd Floor, Signature Building, Block No - 13B, Road 1C, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	equity@goldmine.net.in
GRD SECURITIES IFSC LIMITED	10013	TM	Unit No 313, Signature Building, Third Floor, Block 13B, Zone - 1, Gift Sez, Gandhinagar - 382355	grdifsc@grdgroupz.com
GRM SECURITIES (IFSC) PRIVATE LIMITED	10018	TM	Unit No 324, Signature Building, Third Floor, Block 13B, Zone 1, Gift Sez, Gandhinagar - 382355, Gujarat	grmsecurities@gmail.com
HDFC BANK LIMITED- IFSC BANKING UNIT (IBU)	10049	TM-CM	402,403,404 Brigade International Financial Centre (Bifc), Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	viswanath.Iyer@hdfcbank.com
INDO THAI GLOBE FIN (IFSC) LIMITED	10034	TM	Unit No. 326, Signature Building, Third Floor, Block 13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@indothai.co.in
JAINAM IFSC MAVENS PRIVATE LIMITED	10036	TM	Unit No. 235, 2nd Floor, Signature Tower, Block 13, Road 1C, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355.	corp@jainam.in

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You might be bummed that many big names like Zerodha & Angel One are missing. But we feel as investor interest picks up, all major brokers will be on the panel soon.

List of Brokers

NSE IFSC RECEIPTS

LIST OF MEMBERS - NSEIFSC				
Member Name	**Member Code**	**Membership Category**	**Address**	**Email Id**
MANSUKH IFSC BROKING PRIVATE LIMITED	10002	TM-SCM	F-10/55, Gift Sez Aspire One Business Centre, First Floor, Block-12, Road 1- D, Zone- 1 Gift Sez, Gift City, Gandhinagar - 382355.	secretarials@moneysukh.com
MARWADI INTERNATIONAL SECURITIES (IFSC) LIMITED	10046	TM	Unit No. 205, Signature Building, 2nd Floor, Block 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	marwadi.ifsc@marwadigroup.in
MODEX INTERNATIONAL SECURITIES IFSC PRIVATE LIMITED	10025	TM	Unit No. 215, Signature , Second Floor, Block-13 B Zone-1, Gift Sez , Gift City, Gandhinagar, Gujarat - 382355	compliance@modexindia.com
MOTILAL OSWAL FINSEC IFSC LIMITED	10044	TM	Unit No. 312, Signature Building, 3rd Floor, Block 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	inst-compliance@motilaloswal.com
OPEN FUTURES AND COMMODITIES IFSC PRIVATE LIMITED	10051	TM	Unit No. 652, Sixth Floor Signature Tower, Block No. 13B, Zone 1, Road 1C, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	support@openfutures.in
PACE FINANCIAL (IFSC) PRIVATE LIMITED	10024	TM-SCM	Unit No. 37/1, Gift Aspire-1, Business Center, Ground Floor, Block 12, Road 1D, Zone-1, Gift City, Gandhinagar, Gujarat - 382355	compliance@pacefin.in
PCS (IFSC) PRIVATE LIMITED	10037	TM	Unit No 402, 4th Floor , Signature Building, Block 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	info@pcsifsc.com
PHILLIP VENTURES IFSC PRIVATE LIMITED	10045	TM	Unit No. 521,522, Signature Building, Fifth Floor, Block 13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@phillipcapital.in
PLUSTRADE HOLDING (IFSC) PRIVATE LIMITED	10039	TM	Unit No. 526, Signature Building, Fifth Floor, Block 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance@pluswealth.net
RAGHUNANDAN CAPITAL (IFSC) PRIVATE LIMITED	10043	TM	Unit No. 236, Second Floor, Signature Building, 13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	ifsc@rmoneyindia.com
RSL IFSC PRIVATE LIMITED	10038	TM	Unit No.325, Signature, Third Floor, Block 13B, Zone 1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliancerikhav@gmail.com
SHARE INDIA SECURITIES (IFSC) PRIVATE LIMITED	10020	TM	Unit No. 422, 4th Floor, Signature Building, Block 13B, Zone 1, Gift Sez, Gandhinagar 382355, Gujarat	info@shareindia.com
SIHL GLOBAL INVESTMENTS (IFSC) PRIVATE LIMITED	10029	TM	903, 9th Floor, Signature Building, Block 13, Zone-I, Sez Area, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	compliance.intern@sihl.in
SILVER STREAM EQUITIES (IFSC) PRIVATE LIMITED	10012	TM	Unit 234, Signature Bldg, Block -13B, Zone-1,Gift Sez, Gift City,Gandhinagar - 382355.	vivek.sheth@silverstream.co.in
SMC GLOBAL IFSC PRIVATE LIMITED	10021	TM-CM	Unit No.222, 2nd Floor, Signature Building, Block No. 13B, Road 1C, Zone-1, Gift Sez,, Gift City, Gandhinagar, Gujarat - 382355	compliance@smcindiaonline.com
STAR FINVEST (IFSC) PRIVATE LIMITED	10052	TM	Unit No. 332 Signature, 3rd Floor, Block 13B Zone –I Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	starifsc@starfinvest.in
STOCKHOLDING SECURITIES IFSC LIMITED	10040	TM-CM	Unit No. 518, Signature, 5th Floor, Block 13B, Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	gift@stockholding.com
SYNERGY DEALCOM (IFSC) PRIVATE LIMITED	10011	TM	Unit No. 210, 2nd Floor , Block 13B Zone 1, Signature Building, Gift Sez, Gandhinagar - 382355.	synergyifsc@gmail.com
TOTAL SECURITIES (IFSC) PRIVATE LIMITED	10017	TM	Unit No. 207, Signature , Second Floor, Block-13 B Zone-1, Gift Sez, Gift City, Gandhinagar, Gujarat - 382355	totalsecurities@gmail.com

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4. Who can buy?

Person residing out of India, Non-Resident Indians & Individual Residents in India who is eligible under FEMA to invest funds offshore, to the extent allowed in the LRS scheme of RBI.

However, US & Canadian residents are not allowed to invest through this instrument. This is a big leg up for Indian retail interested in US Stocks as there are very few formalities involved.

5. How much can we buy?

The LRS (Liberalized Remittance Scheme) of RBI prescribes a limit of $250,000 (~■1.9 cr). An investor can buy, sell, trade in the depository receipts but needs to stay within the limits of LRS.

The limit is pretty handsome considering the caps of retail participants as per SEBI is under ■2 lakhs. This is a very good opportunity for people looking to buy and hold quality US stocks.

6. What benefits?

The first & foremost benefit is that now an investor can hold these receipts in their own demat accounts just like they hold stocks of Indian companies. This gives a great sense of security.

These depository receipts will be entitled to all benefits of corporate actions like splits, bonus, buybacks & dividends. So if you were looking to invest in US Stocks this clearly is a win win situation that is pretty handy too.

PS: voluntary corp actions like rights, voting etc won't be passed on.

7. Exchange timings & modalities?

Trading at NSE IFSC will begin at 8 pm day 1 & end at 2.30 am day 2, so one trading session will have 2 dates in India. This is in accordance with trade timings of US markets, which makes sense.

Trading currency will be US$ with $0.01 tick size. There will be no price bands as we have in Indian stocks but dynamic bands will be there at 10%, which can be relaxed (as we have in F&O & underlying stocks).

Intraday trades are allowed but short selling is not. So one must square off trades or sell their existing positions only. Settlement shall be done by NSE IFSC Clearing Corporation Ltd (NICCL) on T+3 day. Trades done on Monday will be settled on Thursday.

Exchange holidays are in accordance with US Market holidays, few Indian holidays will be observed too. You can find the schedule of charges that a receipt custodian can charge a receipt holder below.

S. N	Category of Charges	Fees
1	Issuance of IFSC Receipts	US 0.05 Per NSE IFSC Receipt issued in IFSC
2	Cancellation of IFSC Receipts	US 0.05 NSE Per IFSC Receipt cancelled in IFSC
3	Distribution of Monetary Corporate Action	10% of the distributable funds post deduction of any withholding tax in United States, such amount to be deducted by the NSE IFSC Receipts Custodian from each cash dividend or other cash distribution received by the NSE IFSC Receipts Custodian on or in respect of the Deposited Shares or other Deposited Property

8. Any risks?

As with any financial asset, risk of price & volatility always remains. One must be well versed with these risks whenever committing to such instruments. One more risk that may be dynamic in nature is liquidity.

As this is a brand new segment the interest & participation can only be judged as time lapses. So tread with caution & know what you are doing. As Warren Buffet says “Risk comes from not knowing what you are doing”.

