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India – Merging Overseas Citizenship of India and Persons of Indian Origin Schemes

by KPMG, India (a KPMG International member firm)

flash Alert

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An Indian government ordinance gives effect to a merger of the Overseas Citizenship of India ('OCI') and Person of Indian Origin ('PIO') schemes.¹

Why This Matters

Immigration professionals, global mobility managers with immigration responsibilities vis-à-vis their globally mobile employees, and individuals who are citizens of India or persons of Indian origin living (or working) overseas, who are currently registered under the OCI and PIO schemes or are eligible under these schemes, should be aware of these changes and avail of the benefits under the new regime.

The government of India recently promulgated an ordinance² amending the Citizenship Act, 1955 to merge the Overseas Citizenship of India ('OCI') and Person of Indian Origin ('PIO') schemes, thereby fulfilling an earlier pledge.

Under the new scheme, no further PIO cards shall be issued. Existing PIO card holders will enjoy the same benefits as OCI card holders. Individuals who were earlier eligible only for a PIO card may now be eligible for an OCI card.

Key Changes

- The PIO card scheme has been withdrawn and no new PIO cards will be issued hereinafter.

¹ The OCI Scheme provides for registration as 'Overseas Citizen of India' (OCI) of a foreign citizen (not being a citizen of Pakistan, Bangladesh and other countries specified by the Central Government from time to time) who was/was eligible to become a citizen of India on 26.01.1950 or belonged to a territory that became part of India after 15.08.1947 including his or her children and grandchildren; minor children of the said foreign citizen are also eligible for OCI. Amongst other benefits and features, a registered Overseas Citizen of India is granted a multiple entry, multi-purpose, life-long visa for purposes of traveling to and visiting India; moreover, he or she is exempted from registration with the Foreigners Regional Registration Officer or Foreigners Registration Officer for any length of stay in India.

A person of Indian origin (PIO) card is issued to a foreign citizen (not being a citizen of Pakistan, Bangladesh and other countries specified by the Central Government from time to time) who at any time held an Indian passport; or he/she or either of his/her parents or grandparents or great grandparents were born in or were permanently resident in India as defined in Government of India Act, 1935, and other territories that became part of India thereafter or who is a spouse of a citizen of India or a person of Indian origin. A PIO card is granted for a maximum period of 15 years and the holder may travel to India without a visa and is exempted from registration with the Foreigners Regional Registration Officer or Foreigners Registration Officer if his or her stay on a single visit in India does not exceed 180 days.

² The Citizenship (Amendment) Ordinance, 2015.

- All existing PIO card holders will be deemed to be OCI card holders with effect from 9 January 2015,³ and would be entitled to benefits such as life-long visas and exemption from police registration in India.
- In cases where both parents of a minor child, or one of the parents of a minor child, are citizens of India, that minor child is now eligible for an OCI card.
- The spouse⁴ of foreign origin of an Indian citizen/OCI cardholder is now eligible for an OCI card subject to prior security clearance from a competent Indian authority.
- The great grandchild of a person eligible⁵ for an OCI card is now eligible to apply for an OCI card.

KPMG Note

The merger of the PIO and OCI schemes is a positive step toward simplifying India's immigration guidelines and practices. Going forward, all existing PIO card holders will be deemed to be OCI card holders.

The inclusion of minor children of parents who hold Indian citizenship as eligible for OCI cards should bring the much needed relief to Indian citizens living abroad.

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For additional information or assistance, please contact your local GMS or People Services professional or Parizad Sirwalla (tel. +91 (22) 3090 2010 or e-mail psirwalla@kpmg.com), partner with the KPMG International member firm in India.

Please note KPMG LLP (U.S.) does not offer immigration services.

The information contained in this newsletter was submitted by the KPMG International member firm in India. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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³ See: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=114499>.

⁴ Marriage should be registered and should have persisted for a continuous period of not less than two years immediately preceding the presentation of the OCI application.

⁵ Other than a foreign-origin spouse who is eligible for the OCI card.