

Wright Research Vested FAQs

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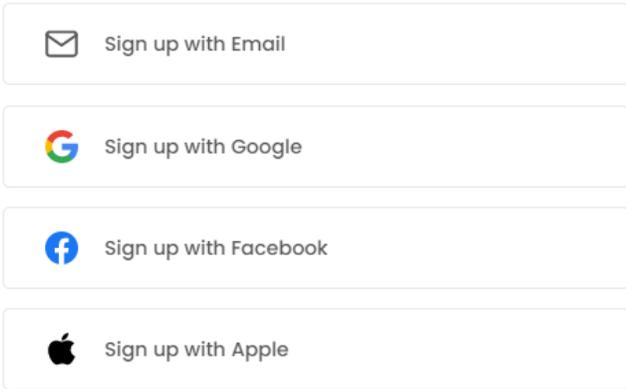
Account Opening

1. How do you log in?

A new user can create an account by visiting <https://wrightresearch.vested.co.in/> and using one of four methods:

1. Use your own email/password combo: 'Sign Up
2. Google login: 'Continue with Google'
3. Facebook login: 'Continue with Facebook'
4. Apple login: 'Continue with Apple'

Sign up



The screenshot shows a vertical stack of four rounded rectangular buttons. Each button contains an icon on the left and text on the right. The first button has an envelope icon and 'Sign up with Email'. The second has the Google 'G' logo and 'Sign up with Google'. The third has the Facebook 'f' logo and 'Sign up with Facebook'. The fourth has the Apple logo and 'Sign up with Apple'.

Already have an account? [Login](#)

- The 'Sign In' button is for users who have created an account with email/password method before and now are trying to log in
- Once a user creates an account with one method/email, he/she must use the same method to log in

2. What is the process to start investing via Wright Research Vested?

You can complete the process of opening a brokerage account in the US within 5 minutes

- Please go on <https://wrightresearch.vested.co.in/>
- You will need to fill in basic details and a few questions to assess your risk profile
- You need to upload a clear image of your PAN (for ID proof) and Aadhaar/Bank statement (for address proof)

Once you have submitted your KYC, it takes around 1-3 business days for your account to get approved.

Post that, you can fund your account from your bank in India (or if you have another US brokerage/bank account, you may fund via that as well)

Once your funds are received, you can begin investing in the US stocks, ETFs, and custom portfolios.

Here's a video that walks you through the platform:

<https://www.youtube.com/watch?v=21FA7ZiIMoU>

Account Funding

1. What is the minimum investment required to start investing in US stocks?

We do not impose a minimum investment amount to start US investing.

2. How can I convert INR to USD?

Your bank converts the funds from INR to USD, as you need US Dollars to invest in the US stock market. If you already have a USD bank account, you can also transfer from that bank account to the brokerage account in the US.

3. What is the conversion rate for INR-USD?

Conversion rate is something that varies from bank to bank and the relationship of the user with the bank. We also have partnerships in place with banks including HDFC, ICICI, and Axis to make the process easier and cost-effective. Our customer success team can guide you through the funding process.

4. What is the process to fund (online or offline)?

Users can transfer funds using their savings bank account.

Currently, ICICI is the only bank, providing an online remittance service for the purpose code S0001 (Indian portfolio investment abroad in equity shares).

Rest with all other banks, the process is offline. One needs to submit an A2 and Declaration form by visiting the bank or contact our customer support to arrange a pickup with partnered banks.

5. Do I need to open a bank account in the US to fund the brokerage account?

You do not need to open a bank account in the US to fund the brokerage account. You can transfer funds from your Indian Bank Account.

6. Do I need to visit my home branch for remittance or any branch is fine?

Any branch is fine but the bigger the better. As they will have more experienced staff.

7. Can I only remit via the banks/channels listed on the platform? Do I have to open a new bank account?

No, you need not open a new account. You can remit from your existing bank as well.

8. Can I transfer funds from my wife/brother/relative's bank account?

Third-party deposits are not allowed and are not accepted on our platform. You can transfer from any bank account under your name.

Note: Brokerage account name and Bank account name have to be the same.

9. Can I fund my brokerage account via credit card, forex card, UPI or any other medium?

No, you cannot fund via any other modes apart from banks for investing in international stocks. As per RBI, the transaction for outward remittance has to be through authorized dealers (AD) which are Banks in this case.

Withdrawal Process

1. What is the process of withdrawing the funds?

You can sell any shares/ETFs anytime. After selling, you may choose to:

- Keep the funds (in USD) in your brokerage account
- Buy/sell other investment products
- Withdraw your funds

On selling the securities, the funds will settle and be available for withdrawal after 2 business days. The process is as below:

Step 1: Click on fund transfer, click on Withdrawal

Step 2: Enter the bank account details

Step 3: Confirm the withdrawal

Few pointers to note:

- The current charges are 11 USD per withdrawal for getting the funds back to Indian bank account
- We do not profit from the wire fees- as it is charged by the bank in the US
- We continuously strive to make this lower by engaging with new partners

Remittance and withdrawal charges

Please note that the charges may vary depending on the user's relationship with the bank. The users are requested to confirm the remittance charges with their RM / Branch manager.

- Deposit: Indian bank charges:
 - HDFC: ~1000 INR
 - Axis: 2000-3000 INR
 - Kotak: 2000-3000 INR
 - ICICI: ~1400 INR

- Withdrawal:
 - The current withdrawal charges are 11 USD

Apart from the above mentioned fixed charges, there may be Fx conversion markup, GST and other charges involved too! These are charged by the banks, most of which is out of our control.

Regulation and Taxation

1. Investing in US stocks - is it even legal/possible?

Yes. Indian investors can invest in the US stock market, regardless of the amount, as long as the total annual amount is less than US\$ 250,000 per year per individual. This is per the RBI's Liberalized Remittance Scheme guidelines. To read more about this topic, you can read our post [here](#). Or if you prefer to read RBI's rules about this, you can go [here](#).

This is covered under the S0001 purpose code (Indian portfolio investment abroad-in equity share)

2. Where can I see the different licenses owned?

In terms of license, Vested is an SEC Registered Investment Advisor. You can find our registration information here: <https://www.adviserinfo.sec.gov/Firm/299272>

We also partner with a registered Broker Dealer called DriveWealth, you can find their registration information here: <https://brokercheck.finra.org/firm/summary/165429>

3. What are the tax implications for me?

Taxes on capital gains:

You will be taxed in India for this gain. You will not be taxed in the US. The amount of taxes you have to pay in India depends on how long you hold the investment

- a) To qualify as a long term capital asset, the shares must be held for at least 24 months. The gain will then be taxed at a long term capital gains tax rate of 20% (plus applicable surcharge and cess fees), with indexation benefits.
- b) If you hold the shares for less than 24 months, the gain qualifies as short-term capital gain and will be taxed as normal income in India. The tax rate is based on the tax bracket that you fall under, according to your income

Taxes on dividends:

Unlike investment gains, dividends will be taxed in the US at a flat rate of 25%. For example, if Microsoft gives an investor \$100 as dividend, \$25 will be withheld as tax. Subsequently, this post-tax dividend is included as taxable income in India (as normal income).

Fortunately, the US and India have a Double Taxation Avoidance Agreement (DTAA), which allows taxpayers to offset income tax already paid in the US. The 25% tax you already paid in the US is made available as Foreign Tax Credit and can be used to offset your income tax payable in India.

At the end of fiscal year, we will send you a consolidated statement of your transactions, capital gains and dividend that will help you simplify the tax process.

4. Will you help to track the taxes?

At the end of fiscal year, we will send you a summary of your transactions. Along with that we also provide all the details and supporting documents that are needed for you to file taxes. This makes the entire tax filing process super simple.

Safety & Assurance

1. How to confirm the trades executed via the platform?

In India, when you trade you get an email/message from the custodian (NSDL or CDSL). US follows a different system where you do not get the same from the Custodian.

On trading via our platform, you will receive a trade statement the next day. The trade statement will reflect the Broker and Custodian.

Also, you may read below for more information:

- In the U.S. shares are held in street name, meaning they are held in the name of a SEC/FINRA registered broker, who carries accounts in the customer name, and which reflects the customer's ownership
- In any event, if you would like to obtain your account statement directly from DriveWealth, you can by emailing support@drivewealth.com
- You may also check BrokerCheck information: (<https://brokercheck.finra.org/firm/summary/165429>), and other information which clearly states that DriveWealth is the authorized custodian for the customer's accounts and shares
- You can access DriveWealth's Client portal as well to check about your holdings: <https://client.drivewealth.com/login>

In summary, the US follows the custodian model and hence does not have depositories- [SEC guidelines](#) for more details.

2. Is your money safe and secure?

- a. We take your security and privacy seriously. All transactions and personal information data are encrypted using 256-bit encryption and SSL technologies.
- b. Further, since we partner with a registered broker dealer, your money is insured by SIPC. This means that securities in your account are protected up to \$500,000. For more information about the SIPC insurance, please visit www.sipc.org

3. What happens if Vested or Broker goes out of business?

We open an investment/brokerage account under the user's name and that's where your funds are held. Vested never touches any user's funds. The funds are held at a custodian (the equivalent of depositories in India), who in our case is Citibank.

As a registered investment advisor, we are regulated by the SEC and are subject to surprise SEC audits. In order to maintain our license, we have a fiduciary duty towards every client. This means that we have to keep our client's interests in mind before taking any decision.

Worst case scenario: In case Vested shuts down tomorrow, the user's account will always remain open with the broker. We can work with the user to bring the money back or else put them in direct touch with the broker to continue/transfer the account.

Worst-worst case scenario: In case even the broker goes out of business then each individual account is insured by SIPC (Securities Investor Protection Corp.) up to \$500,000

For more details, please read <https://www.sipc.org/for-investors/what-sipc-protects>

4. Legal Documents:

Terms: <https://app.vested.co.in/terms-of-service>

Disclosure: <https://app.vested.co.in/disclosure>

Privacy Policy: <https://app.vested.co.in/privacy-policy>

Brochure: <https://adviserinfo.sec.gov/firm/brochure/299272>

Broker Partner

1. Who is DriveWealth?

DriveWealth is the broker partner in the US. Your brokerage account is held with them. DriveWealth is a Broker-Dealer registered with the SEC. Their license can be viewed [here](#). More information on Drivewealth can also be found on their website [here](#).

2. Who holds my shares in the US / who is the custodian of my account?

Your shares and cash are held by our broker dealer and custodian partner. The clearing and execution for [partner] Vested is provided by DriveWealth LLC, a member of FINRA and SIPC, and Drivewealth uses custodian services provided by Citibank.

You can see the presence of these parties in the trade statement that summarizes all the trades and is produced the next business day). You can find your trade statements in the "Reports" tab.

You can also check your holdings at Drivewealth's back office by logging in here: <https://client.drivewealth.com/login>

Products: Stocks, ETFs and Vests (model portfolios)

1. What are ETFs? How are ETFs different from Mutual Funds?

ETFs are Exchange Traded Funds. While we do not offer mutual funds, we do offer ETFs on our platform. ETFs are similar to mutual funds and provide diversification advantages by spreading investing across multiple stocks or asset classes. ETFs are highly liquid and offer transparent pricing as they are traded on exchanges like a stock. On [partner] Vested's platform, we have curated a list of ETFs so that you can gain exposure to exciting themes such as the China growth story, global stock exposure and the rise of the internet.

2. I see a limited number of shares and ETFs on the platform. Why is it so?

Currently, we offer more than 1000 stocks and ETFs. Since we are an Adviser, we have limited the universe for an Indian Investor. This enables us to curate the list of stocks and ETFs and provide the 1st layer of advice.

3. What are Vests?

Vests are custom and curated portfolios that comprise stocks and/or ETFs. Vests are constructed with different goals or themes in mind. Some Vests are built to enable investors to invest into diversified core assets that balance performance and downside protection, while other Vests are theme based, enabling investors to narrowly focus their investments on specific industries or core themes.

Fractional Investing

1. What is fractional investing?

One of the unique things about the US stock markets is that investors can own fractions of stocks, unlike in countries like India. So you could own 0.01 of an Amazon stock. Our broker partner DriveWealth allows you to own as low as 0.00000001 shares of any stock. This is useful because of the following reasons:

You can decide to invest based on a certain amount of money. For instance, if a stock is valued at \$100 and you decide to invest \$10 in it, you will get 0.1 shares.

Many US stocks are really high-priced. For example, Amazon costs ~\$2,000. So, with fractional stocks you could effectively build a diversified portfolio even with small amounts of more.

2. How does fractional investing work?

When your investment is in full shares, our broker partner (DriveWealth) will route the orders to market centers on an Agency basis. When the investment is fractional shares, our broker partner will satisfy the order from its own account, on a Principal basis, at the National Best Bid

or Offer (NBBO). NBBO means that DriveWealth cannot add a margin to the price. So, if the market price of 1 share of Amazon is \$1000, and you purchase 0.1 share of Amazon, you will pay \$100 for the 0.1 share. Any orders for both full or fractional shares will be executed via both methods, part as Agent and part as Principal.

3. Do I get dividends on fractional shares?

Yes, you get dividends on fractional shares.

Please note if the dividend amount is less than a cent then you are not eligible for the same.

Also, please note that the companies declaring the dividend have their own terms and conditions as well for the same. Hence, if you fall under that category then only you will receive.

Pricing

No account opening fee. No brokerage fee when investing in individual stocks/ETFs*

Vests (powered by Vested): \$3 per purchase

Wright Research Vests (powered by Wright Research): Subscription free INR 2400 per 6 months

Other queries

1. What are the US market timings?

US market timings are

- 7:00 PM to 1:30 AM Indian Standard Time [8th March 2020 - 1st November 2020]
- 8:00 PM to 2:30 AM Indian Standard Time [1st November 2020 - 14th March 2021]

2. What are the benefits of investing directly into US equities (ETFs) in place of FOFs available in India?

The major difference between investing in U.S. ETFs and Feeder funds/FOFs available in India is that U.S. ETFs carry a much lower expense ratio as compared to FOFs. U.S. ETFs mirroring major benchmarks indices such as Dow Jones Industrial Average (DJIA) and S&P 500 typically carry an expense ratio of around 0.1% while FOFs for the same category in India charge as much as 10-20 times of that as their expense ratio.

3. Can I transfer my shares from my US stocks account on some other platform like, INDwealth, Stockal, HDFC global investing to this platform?

If you already have a US stocks account with Drivewealth on some other platform like INDwealth, Stockal, HDFC global investing, etc. you can transfer your shares to your new Drivewealth account on [partner] Vested platform by simply filling and signing an internal transfer of assets form which usually takes not more than 1 day to process. A digitally filled and signed form is accepted as well.

4. Is Intraday allowed in US Stocks and ETFs?

Under RBIs LRS, Intraday falls under prohibited items.

5. Do you offer derivative products, futures and options or margin accounts?

Unfortunately, we cannot offer derivatives products or margin accounts, as those are not permissible by RBI / FEMA regulations.

6. Do you guide on investment strategies? Do you provide advice?

We provide algorithmic recommendations, based on your risk profile, risk averseness and time horizon. We also provide informational materials to help you better make investment decisions.

Also, we have advisory portfolios - Vests. Vests are custom and curated portfolios that comprise stocks and/or ETFs. Vests are constructed with different *goals* or *themes* in mind. Some Vests are built to enable investors to invest into diversified core assets that balance performance and downside protection, while other Vests are theme based, enabling investors to narrowly focus their investments on specific industries or core themes.

7. Is it possible to invest in an IPO via this platform?

Currently, it is not possible to directly subscribe to IPOs. We ensure that the companies are available immediately post IPO.

8. How do we know if my dividends are added to my brokerage account?

You can see the same in your 'Trade Statement' under 'Reports' tab. This information will also be available in the 'History' section on the app.

9. What is the average time taken to sell the shares and transfer the money back to my account?

The time taken for the settlement of trade is T+2 business days. Once the funds are settled, you can place a withdrawal request.

Once the withdrawal is initiated it takes 1-3 business days for the funds to appear in your bank account.

10. Transferring funds via an NRO account

Process depends on the bank but the user would need to submit form 15CA/CB along with A2 and declaration form

11. Transferring funds via an NRE account

Will be treated as Indian bank account wherein the process would involve submitting the A2 and declaration forms

12. Can you invest via other banks, apart from the listed once? Beneficiary details?

You can remit via your bank but the process would be offline.



You need to submit an A2 and declaration form by visiting the bank.

Below are the beneficiary bank details:

Name: Silicon Valley Bank

Routing Number (ABA): 121140399

SWIFT Code: SVBKUS6S

Address: 3003, Tasman Drive, Santa Clara, California, USA, 95054

Beneficiary Name: DriveWealth, LLC

Beneficiary Account Number: AC# 9870304186

Beneficiary's Address: 97 Main Street, Second Floor, Chatham, NJ 07928

You can add your DriveWealth account number in the 'Further credit to' option.

Please feel free to reach out to us if you need any further assistance.