

India Market Entry & Inbound Regulatory Matrix

Entry vehicles, foreign investment, RBI/FEMA reporting and India-side compliance planning.

1. Compare the principal India entry vehicles

The appropriate vehicle depends on the activity, investor profile, sectoral policy and operating model. The descriptions below are a starting point, not an eligibility determination.

ENTRY VEHICLE	PERMITTED OPERATING PROFILE	ROUTE / KEY AUTHORITY	PLANNING RANGE*
Wholly owned subsidiary (Indian private company)	Separate Indian company for commercial operations, hiring, contracting, invoicing and revenue generation.	MCA incorporation; foreign investment under applicable FEMA NDI Rules, sectoral route and reporting.	3-5 weeks
Limited Liability Partnership	Indian LLP for permitted operations. FDI in LLPs is subject to the prescribed automatic-route and conditions framework.	MCA incorporation; FEMA reporting and sector eligibility must be checked.	3-4 weeks
Branch office	Foreign company presence for activities permitted by RBI rules; scope is restricted and is not a general substitute for a subsidiary.	RBI/AD Category-I bank route or approval, as applicable; MCA registrations and reporting.	6-8 weeks
Liaison office	Communication, market research and liaison within permitted scope; cannot undertake revenue-generating business activity in India.	RBI/AD Category-I bank route or approval, as applicable; MCA registrations and reporting.	6-8 weeks
Project office	India presence tied to qualifying, specific project contracts and applicable FEMA conditions.	RBI general permission where conditions are met, otherwise approval; AD bank reporting.	3-4 weeks

* Planning ranges are indicative working estimates from initial document readiness; they are not statutory service levels or authority commitments. Approval, KYC, apostille/legalisation, bank review, sector permissions and document deficiencies can extend timelines. Tax treatment is not shown as a fixed rate: it depends on entity type, tax year, elections and applicable law.

2. Entry route and beneficial ownership screen

Automatic route: No prior Government approval is generally required where the activity is permitted and all sectoral caps, conditions and FEMA requirements are met. Post-investment reporting still applies.
 Government route: Prior approval is required for sectors/transactions placed on that route. Confirm the responsible ministry and application pathway before signing or remitting funds.
 Land-border ownership: Screen investor domicile, citizenship, direct and indirect ownership, beneficial ownership and control. DPIIT Press Note 2 (2026 Series) states that its changes take effect from the date of the corresponding FEMA notification; verify the notification and operative text on the transaction date. Do not rely on a simple incorporation-country check.

From route screening to operational readiness

A practical sequence for structuring, incorporation, capitalisation and compliance activation.

3. Four regulatory workstreams

A market-entry mandate commonly spans several connected regulatory layers. Confirm the investor, sector, activity, funding instrument and proposed operating model before choosing a route.

01 | FDI, FEMA & RBI REPORTING

Map the sectoral cap and route; assess investor/beneficial-owner restrictions; structure equity and capital instruments; coordinate AD bank and RBI FIRMS reporting. FC-GPR is generally due within 30 days of issue of equity instruments. FLA return is an annual reporting requirement where applicable; RBI FAQs refer to 15 July and permit provisional/unaudited filing in specified cases. Consider ODI separately if the Indian entity will invest abroad.

02 | CROSS-BORDER TAX & DTAA

Assess Indian tax presence, treaty eligibility, withholding, permanent-establishment exposure and transfer-pricing obligations. For remittances on or after 1 April 2026, the Income Tax Department identifies Forms 145/146 under the Income-tax Act, 2025 as counterparts to Forms 15CA/15CB; the applicable form depends on transaction facts and thresholds.

03 | EXIM, DGFT & CUSTOMS

Check IEC status and DGFT requirements; assess scheme eligibility (including Advance Authorisation or RoDTEP where relevant); review tariff classification, customs valuation, origin documentation, GST and product-specific permits. Licensing and duty treatment depend on the product, route and current policy.

04 | INDIA ENTITY & OFFICE SET-UP

Compare an Indian subsidiary or JV with a branch, liaison or project office. Confirm permitted activities, RBI/AD bank route, MCA/ROC requirements, governance, tax registrations and ongoing filings. Office permissions and operating restrictions differ from company/LLP incorporation.

4. Indicative execution sequence

STAGE	TYPICAL WORKSTREAM	KEY DEPENDENCIES
1 Structure	Investor/sector screening; vehicle selection; capital and governance design.	Beneficial-owner evidence; activity and sector facts; commercial model.
2 Establish	Incorporation or office application; constitutional and board documentation.	Apostille/legalisation; KYC; name/filing review; any prior approval.
3 Capitalise	Bank onboarding; inward remittance; issue/allotment; applicable RBI reporting.	AD bank checks; instrument terms; funds evidence; filing windows.
4 Activate	Tax, GST/IEC where relevant, payroll, licences and recurring compliance calendar.	State/activity-specific registration; premises and product permissions.

REGULATORY NOTICE

Prepared for general information and preliminary planning under Indian law as at 9 October 2026. This matrix is not legal, tax, audit, investment, transfer-pricing or transaction-specific advice and does not create an engagement. FDI caps, routes, beneficial-ownership tests, approvals, forms and timelines depend on facts and law in force at execution. Obtain tailored Indian and, where relevant, local-country advice before committing capital or filing. Authority decisions and timelines cannot be guaranteed.

Official references | DPIIT Press Note 2 (2026 Series) · RBI Foreign Investment reporting directions · RBI FLA Return FAQs · RBI BO/LO/PO FAQ · Income Tax Department: 2026 forms transition