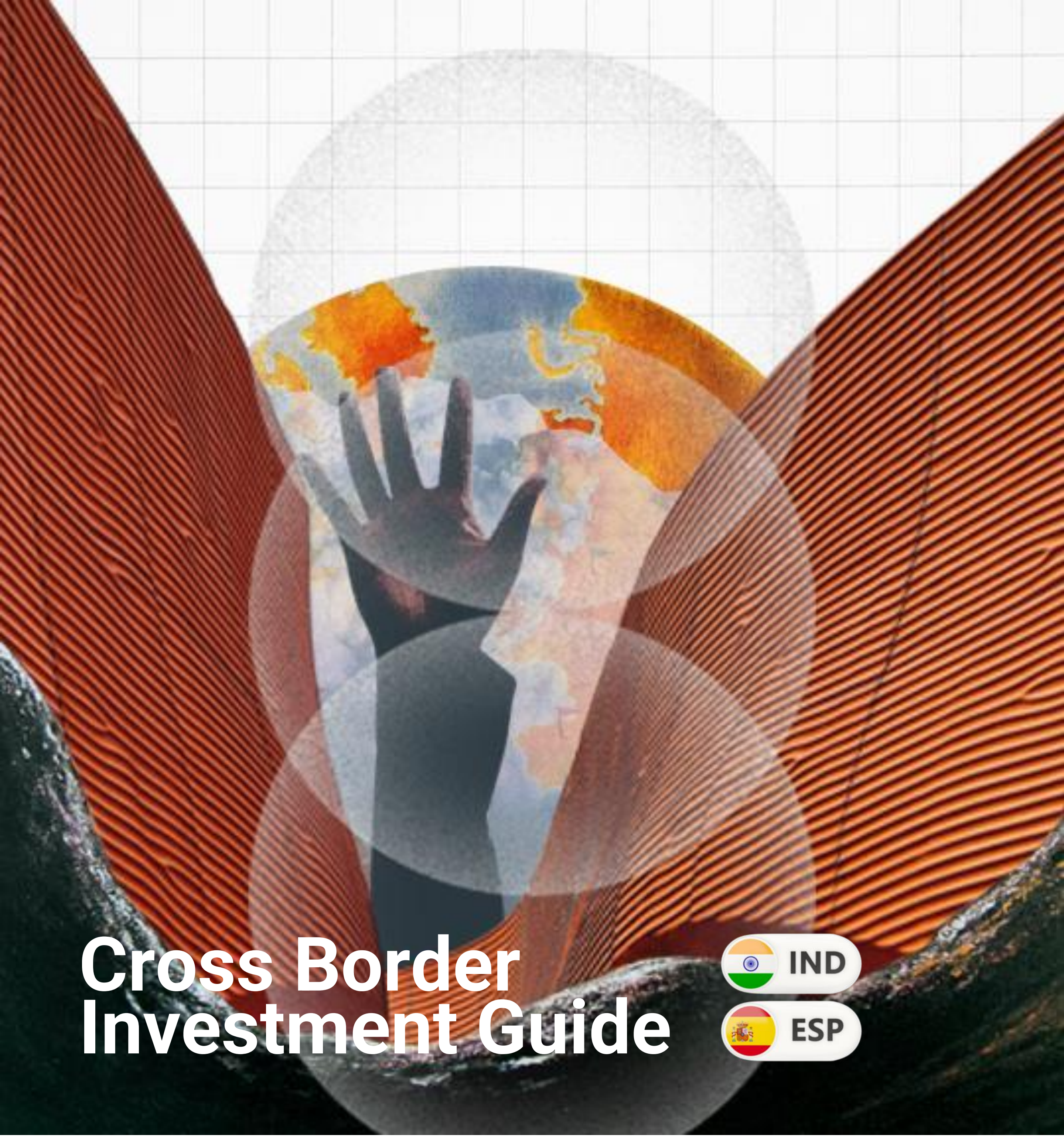


Cross Border Investment Guide

March 2026

Coinmen Consultants LLP
www.coinmen.com

Indian Economy: Investment Opportunities for Foreign Entities

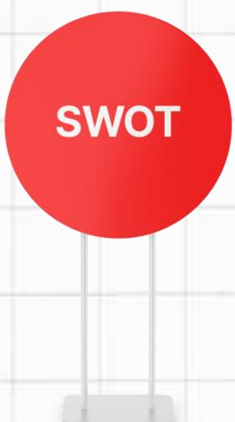
As of June 30, 2025, India remains a key destination for foreign direct investment (FDI). The SWOT analysis of the Indian Economy has been given hereunder:

- Large Market Size
- High Economic Growth
- Skilled Workforce (for IT, backend officer etc)
- FDI Reforms

Strengths

- Bureaucratic Delays
- Infrastructure Gaps
- Language barrier for unskilled labour (especially in manufacturing companies)

Weakness



- Digital Economy
- Manufacturing Boost with PLI and Make in India schemes
- Good Global Trade Relations

Opportunities

- Currency Volatility
- Domestic Competition
- Regulatory Risks

Threats

How We Help:

Simplify Market Entry: Navigate regulations and identify growth sectors.
Ensure Regulatory Clarity: Avoid compliance pitfalls with expert guidance.
Maximize FDI Benefits: Align with India’s liberalized investment policies.

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Strategic Entry Points: Structuring Your India Operations

Entity Type	Purpose	Pros	Cons	Funding Sources
Project Office	Specific Project Execution	Simple Setup, Project-focused	Limited Scope & Duration, Higher Tax	HQ/Project Receipts
Liaison Office	Marketing & Networking	No Indian Taxation, Light Compliance	No Commercial Activity, 3-Year Limit	HQ Only
Branch Office	Parent Company Operations	Fewer Compliances, Broad Scope	No Retail/Processing, Higher Tax	HQ/Business Profits
Wholly Owned Subsidiary	Full-scale Business	Lower Effective Tax, Full Control	More Compliance, Resident Director Req.	Share Capital (FDI) / ECB
Limited Liability Partnership (LLP)	Full-scale Business	Flexible, No Minimum Capital	Resident Partner Req., Higher Tax	Share Capital (FDI) / ECB
Unincorporated Joint Venture (UJV)	Specific Project with an Indian Partner	Fewer Compliances, easy setup	For specific project only	HQ/Project Receipts

How We Help:

Strategic Advisory: Aligning legal structure with business goals.
Regulatory & Tax Clarity: Navigate compliance and optimize tax exposure.
Finance Access Support: Facilitate funding via FDI, ECB, and local banking channels.

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Strategizing tax efficient repatriation for foreign investors

Entity Type	Indian Corporate Tax Rate	Profit Repatriation Tax (net basis)	Key Implication
Project/Branch Office	Up to 38.22%	Nil (on residual profits)	High corporate tax, but no further tax on profit outflow.
Unincorporated Joint Venture (UJV)	Up to 39% (MMR)	Nil (on residual profits)	Highest corporate tax, but profit outflow is tax-free.
Liaison Office	No Income	Not applicable (no commercial activity)	Zero tax due to non-commercial nature.
Wholly Owned Subsidiary (WOS)	25.17% (New Regime)	15% (Dividend under DTAA)	Lower corporate tax, but dividend distribution tax applies.
Limited Liability Partnership (LLP)	34.94%	Nil (on profit distribution to partners)	Higher corporate tax, but tax-free distribution to partners.

Ensuring tax-efficient profit repatriation is critical for maximizing your returns from India.

How We Help:

Tax Structuring: Design optimal repatriation strategies.
Compliance: Ensure seamless and compliant fund transfers.

Understanding passive income and its taxes

Income Types	Taxability under the Indian Tax laws	Taxablity under India – Spain DTAA
Royalty/FTS Income/Dividend/Interest Incomes	20%	15%
Capital Gains	▪ In case of Long-term: 12.5% ▪ In case of Short-term: up to 35%	As per Indian Domestic Laws

How We Help:

Documentation: Preparation of relevant documents made easy.
DTAA Advisory: Maximize benefits under bilateral tax treaties.
Compliances: Timely filing of forms and returns

Note: Unlisted shares held by the holding company in its WOS are classified as long-term if retained for more than 24 months; otherwise, they are considered short-term capital assets

Note: For availing the benefit of DTAA between India and Spain, the foreign company shall be required to furnish the following documents –

- No Permanent Establishment Declaration.
- Form 10F.
- Tax Residency Certificate from Spanish Tax Authorities.

Navigating Regulatory Landscape

Regulatory Risk	What it Means	Your Action
General Anti-Avoidance Rules (GAAR)	Transactions lacking commercial substance to evade tax are scrutinized.	Structure deals with clear business rationale; seek pre-deal GAAR evaluation.
Transfer Pricing (TP) Provisions	Related-party transactions must be at "arm's length" (fair market value).	Maintain robust TP documentation; ensure fair pricing for inter-company deals.
Place of Effective Management (POEM)	If key decisions are made in India, foreign company can be Indian tax resident.	Ensure strategic decisions are genuinely made outside India (for foreign entities).
Permanent Establishment (PE) Exposure	Fixed place/dependent agent in India can trigger Indian corporate tax.	Carefully structure activities to avoid unintended PE creation.

Critical Tax Traps

Be aware of key Indian tax regulations that impact cross-border operations.

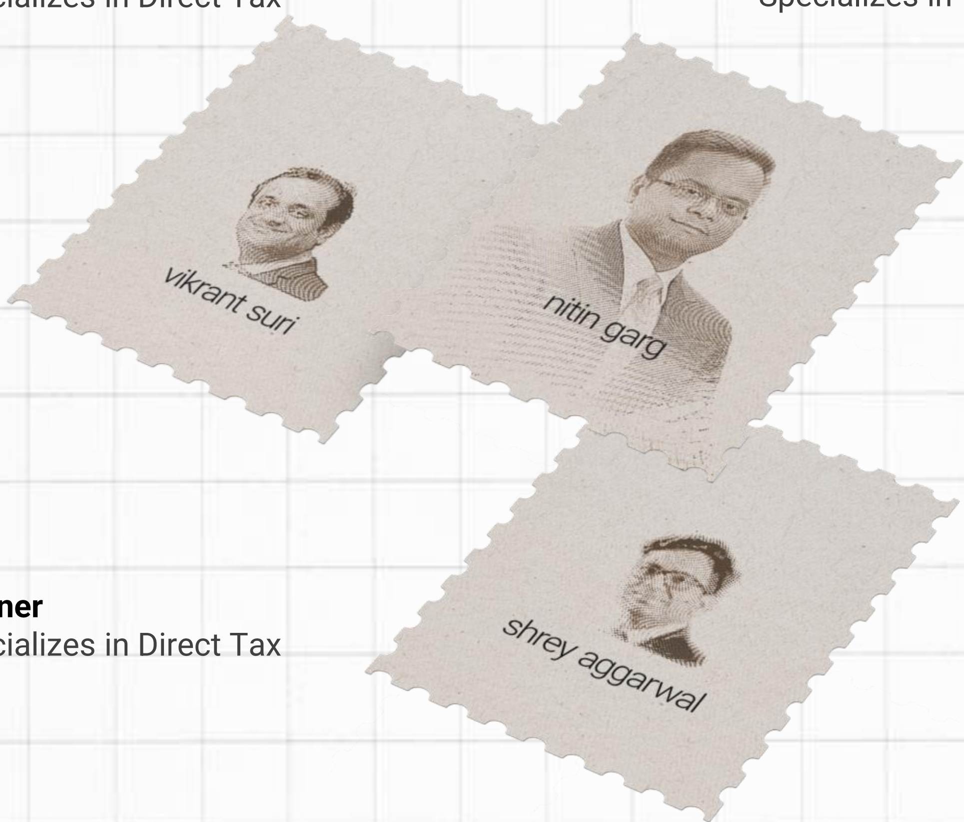
How We Help

Your Compliance Partner: We provide expert guidance on these complex regulations, helping you mitigate tax risks and ensure compliance in India.

Partners

Co-Founder and Partner
Specializes in Direct Tax

Co-Founder and Partner
Specializes in Transfer Pricing



Partner
Specializes in Direct Tax

Global Reach

Our European business desk acts as the perfect bridge to our global clients; ensuring seamless communication as well as an appreciation of the nuances of each culture while aligning Coinmen's business environment with those of our clients'.

Coinmen engages with various law firms, accounting and compliance firms based out of EU, on an on-going transaction led basis. This roster helps us with better sectoral understanding aside of compliance diligence.

Proud Member of
AlliottGlobalAlliance

Coinmen is a member of AlliottGlobalAlliance, an alliance of multi-disciplinary, independent accounting and law firms spanning 260 cities in 103 countries. Being a part of this alliance has given us access to top-tier domain specialist talent from like-minded firms across the globe.

= Legal = Accounting

North America (48 offices)
- Canada
- USA

Latin America & Caribbean (35 offices)
- Argentina
- Barbados
- Belize
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- El Salvador
- Mexico
- Panama
- Peru
- Uruguay
- Venezuela

Asia (40 offices)
- Bangladesh
- Cambodia
- China
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- Nepal
- Pakistan
- Philippines
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Uzbekistan
- Vietnam

Europe (119 offices)
- Albania
- Andorra
- Austria
- Azerbaijan
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Finland
- France
- Georgia
- Germany
- Greece
- Guernsey
- Hungary
- Ireland
- Italy
- Jersey
- Luxembourg
- Malta
- Netherlands
- North Macedonia
- Norway
- Poland
- Portugal
- Romania
- Russian Federation
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom

Africa (26 offices)
- Algeria
- Botswana
- Egypt
- Kenya
- Lesotho
- Liberia
- Libya
- Malawi
- Mauritius
- Morocco
- Nigeria
- South Africa
- Tanzania
- Tunisia
- Uganda
- Zambia
- Zimbabwe

Middle East (47 offices)
- Afghanistan
- Israel
- Jordan
- Lebanon
- Oman
- Qatar
- Saudi Arabia
- UAE
- Yemen

Australia & Oceania (9 offices)
- Australia
- New Zealand
- Papua New Guinea

This helps us take on global mandates in transfer pricing, accounting, global audits etc., since this alliance helps us better understand cultural aspects of cross border businesses.

Seamless Coordination: Effortless collaboration with trusted foreign CPA and law firms.

On-the-Ground Expertise: Access to local insights and specialized knowledge in diverse jurisdictions.

Local Networks: Leveraging established relationships for faster, smoother processes.

Mitigating Risks: Proactively addressing cross-border regulatory, tax, and legal complexities.

Coinmen is an active member of Chambers of Commerce for Spain, Italy, France, Germany, Brazil and Japan in India.

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Data Security

As a firm, we're acutely aware of our responsibilities to client and third-party data. Data protection protocols are in place for avoiding any potential threats.

- DNS scan and verification
- Network Protection, including authentication protocols
- Data encryption across data storage devices
- Automatic multiple back ups at remote site
- Routine trainings and acceptance of policy by employees
- Optional cloud-based data storage and access with select and limited privileges
- User access control with 2FA (two factor authentication) for secure login

Coinmen Consultants LLP

As a firm, we've helped businesses weather through business cycles, funding crisis and a post pandemic world, and been a part of the best they've ever seen, yet. This presentation is put together by our team to ensure you know we're here for your next challenge.

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