

Global Tax Update

India

Deloitte Tohmatsu Tax Co.

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Permanent Residency Status to Foreign Investors

With an objective of encouraging foreign investment in India the Union Cabinet on 31 August 2016 approved the scheme for grant of Permanent Residency Status ("PRS") to foreign investors. This scheme will be subject to fulfillment of relevant conditions as specified in the Foreign Direct Investment (FDI) Policy, as notified by the Government of India from time to time.

Key highlights of the scheme are as below:

Heads	Particulars
Eligibility	<ul style="list-style-type: none"> ■ The foreign investor will have to invest in India a minimum of INR 100 million within 18 months, or minimum of INR 250 million within 36 months. ■ Foreign investment should result in generating employment to at least 20 resident Indians every financial year.
Validity	<ul style="list-style-type: none"> ■ PRS will be granted to foreign investors for a period of 10 years with multiple entry facility. ■ PRS can be further renewed for 10 years, if nothing adverse has come to notice of the relevant authorities.
Procedure to apply for PRS	<ul style="list-style-type: none"> ■ Provisions to obtain PRS will be notified in the Visa Manual.
Benefits of PRS	<ul style="list-style-type: none"> ■ Long term validity of 10 years with renewal facility for another 10 years. Currently, the investors (other than specified nationals) are generally granted business visa up to a maximum period of 5 years. ■ PRS will serve as a multiple entry visa without any stipulation with respect to maximum continuous stay in India. ■ PRS holders will be exempted from the requirements to register with the Foreigners Regional Registration Office/ Foreigners Registration Office. ■ PRS holders will be allowed to purchase one residential property for dwelling purpose. ■ Spouse / dependents of the PRS holder will be allowed to take up employment in private sector (in relaxation to minimum salary stipulations for Employment Visa) and undertake studies in India.

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Contacts

Deloitte Tohmatsu Tax Co.

India Practice

Hiroyuki Hayashi, Partner

hiroyuki.hayashi@tohmatsu.co.jp

Pawankumar Kulkarni, Manager

pawankumar.kulkarni@tohmatsu.co.jp

Issued by

Deloitte Tohmatsu Tax Co.

Tokyo Office

Shin-Tokyo Building 5F, 3-3-1 Marunouchi, Chiyodaku, Tokyo 100-8305, Japan

Tel : +81 3 6213 3800

email : tax.cs@tohmatsu.co.jp

Corporate Info. : www.deloitte.com/jp/en/tax

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