

KPMG Flash News

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TAX



Deferment in applicability of new Visa guidelines for foreign nationals on project based assignments

The Ministry of Home Affairs (MHA) has issued a further letter dated 25 September 2009 deferring the implementation of instructions issued earlier (20 August 2009) by Ministry of Commerce and Industry. Vide the earlier instructions, all foreign nationals in India holding Business Visa (BV) and executing project/contract based assignments in India needed to return to their home countries on expiry of their BV or by 30 September 2009, whichever is earlier.

The MHA has extended such deadline for foreign nationals from 30 September 2009 to 31 October 2009.

Foreign nationals have to obtain Employment Visa (EV) from their country of origin in order to come to India for working on projects/contracts (*For details, please refer our earlier **Flash News***).

Our Comments

The extension provides some more time to companies for compliance with the new guidelines. Foreign nationals working on projects in India on BV will need to start complying with this new regime. Companies will need to take a re-look at the activities done by the foreign nationals in India. Also, most short-term assignments to India will need to be examined from a tax, social security and immigration perspective.

Overall assignment programs to India for foreign nationals may need to be analysed and re-structured.

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appropriate professional advice after a thorough examination of the particular situation.

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