

Comparison Table

TABLE

Summarised Comparison Table of all entry Options

Type of Entity	As Foreign Entity			As Domestic Entity	
Point of Comparison	Branch Office	Liaison Office	Project Office	Wholly Owned Subsidiary	Limited Liability Partnership
A. Incorporation/Establishment point of view					
Establishment	Approval from the Reserve Bank of India (RBI) is required	Approval from the Reserve Bank of India (RBI) is required	Automatic Route- An intimation of establishment is required to be sent to RBI	Approval of the Registrar of Companies (ROC) is required.	Approval of the Registrar of Companies (ROC) is required.
Pre-Establishment Statutory Fee	No Government Fee is required to be paid	No Government Fee is required to be paid	No Government Fee is required to be paid	Stamp Duty and ROC fee is required to be paid depending on the Authorised Share Capital of the company	Stamp Duty and ROC fee is required to be paid depending on the Contribution of LLP
Minimum Capital Investment	Not Applicable	Not Applicable	Not Applicable	No minimum contribution has been prescribed	No minimum contribution has been prescribed
Lead time for setting up	2-3 Months	2-3 Months	1 Month	1-2 Months	1-2 Months
Operations	Business operations as approved by RBI	No Business operations are permitted. LO can only act as a communication channel	Permitted business operations	Very Wide & Significantly higher flexibility on the nature of operations	Very Wide & Significantly higher flexibility on the nature of operations
B. Compliance & Taxes					
Legal Compliance	Moderate	Moderate	Moderate	Higher	Higher
Permanent Account Number (PAN No.) i.e. Registration Under Income Tax Act.	Applicable	Applicable	Applicable	Applicable	Applicable
Tax Deduction Number (TAN No.) i.e. Registration under the Income Tax Act for deduction of Tax	Applicable	Applicable	Applicable	Applicable	Applicable
Permanent Establishment (PE)	BO being a commercial office will constitute PE for Taxation purpose	LO being a representative office is not taken as PE	PO being a commercial office will constitute PE for Taxation purpose	Not Applicable	Not Applicable
Status of Taxable Entity	All tax returns and other submissions concerning BO operations will be filed in the name of the Parent Company as a foreign taxable entity	All tax returns and other submissions concerning LO operations will be filed in the name of the Parent Company as a foreign taxable entity	All tax returns and other submissions concerning PO operations will be filed in the name of the Parent Company as a foreign taxable entity	WOS is a separate legal entity	LLP is a separate legal entity

Rate of Corporate Tax	<ul style="list-style-type: none"> - Base Rate of 40% - Surcharge @ 2% in case income exceeds Rs. 10 Million and less than Rs. 100 Million i.e. 42.432% - Surcharge @ 5% in case income exceeds Rs. 100 Million i.e. 43.68% - Cess at 4% 	Not Applicable	<ul style="list-style-type: none"> - Base Rate of 40% - Surcharge @ 2% in case income exceeds Rs. 10 Million and less than Rs. 100 Million i.e. 42.432% - Surcharge @ 5% in case income exceeds Rs. 100 Million i.e. 43.68% - Cess at 4% 	<ul style="list-style-type: none"> - Base Rate of 25% in case total Turnover is less than Rs. 4000 Million otherwise 30% - Surcharge @ 7% in case income exceeds Rs. 10 Million and less than Rs. 100 Million i.e. 27.82% or 33.384% - Surcharge @ 12% in case income exceeds Rs. 100 Million i.e. 29.12% or 34.944% - Cess at 4% <p>Company opts for 115BAA/115BAB, effective rate will be 25.17%/17.16% respectively</p>	<ul style="list-style-type: none"> - Base Rate of 30% - Surcharge @ 12% in case income exceeds Rs. 10 Million i.e. 34.944% - Cess at 4%
Transfer Pricing	Applicable	Applicable	Applicable	Applicable	Applicable
Import export Code (In case of Import Export of Goods)	Applicable	Not Applicable	Applicable	Applicable	Applicable
Goods and Services Tax	Applicable	<p>Not Applicable</p> <p>(As sale of services and Goods is not allowed)</p> <p>Shall be applicable in case LO receive any service where GST is payable under reverse Charge</p>	Applicable	Applicable	Applicable
Exit	Approval of RBI is required for closure of business operations	Approval of RBI is required for closure of business operations	Automatic subject to fulfilment of certain conditions.	Winding up procedure is required to be undertaken for closure of a WOS.	Winding procedure as prescribed under LLP Act, 2008 is required to be followed.

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