

Mobility: Immigration alert

August 2022



India

New salary requirement for Employment Visa applicants

Executive summary

The Indian Consulates in Germany, Hong Kong, Japan and the US are now requiring Employment Visa applicants to submit an employment contract with a host entity in India confirming that they will receive salary in India. However, the Indian Government has not issued a formal communication on this matter.

Background

As per the current guidelines, Employment Visas may be issued to highly skilled or qualified foreign nationals who possess skills that are not easily available in India. Employment Visa holders are authorized to conduct specific activities in India, and they must receive salary of at least INR 1,625,000 (approximately USD 21,000) annually. The current guidelines do not stipulate that visa holders must be paid salary in India.

Key issues

At the time of writing this alert, the requirement to pay Employment Visa holders salary in India is limited to applicants based in a select group of countries. It remains to be seen whether the Indian government will make a formal announcement mandating this requirement more broadly, clarifying whether 100% of the salary must be paid in India (or if a split payroll will suffice), and whether applicants' salary arrangements will become the determining factor when assessing their eligibility for Business Visas and Employment Visas (as opposed to the activities they conduct while in India).

Impact on employers

The new policy will require impacted foreign employers that assign their employees to work in India to place these employees on Indian payrolls and re-evaluate their current processes for deploying foreign personnel to India.

Next steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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