ENFORCEMENT ALERT

OIDAR Enforcement is Rising in India

What changed in 2024-25 and what every foreign digital company must know.

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Key alert

CBIC has significantly accelerated OIDAR enforcement in FY 2024-25. Foreign companies operating without registration are receiving Show Cause Notices — some with demands dating back to 2017.

What has changed

Since 2023, CBIC has built data-sharing infrastructure with payment processors and app stores. Enforcement has expanded from large platforms to mid-market and smaller foreign digital companies across all sectors.

How CBIC identifies non-compliant companies

- **Payment processors** — Stripe, PayPal, and Razorpay report India-origin transactions
- **App stores** — Google Play and Apple App Store provide India revenue data
- **Indian B2B customers** — RCM filings disclose foreign supplier identities

Who is being targeted

- SaaS platforms with Indian user bases
- EdTech companies with Indian students
- Online gaming platforms with Indian players
- B2B API and cloud providers

The retrospective demand risk

OIDAR has been in force since July 2017. Companies serving Indian customers for years without registering can face demands covering the entire period, plus 18% annual interest and penalties.

Example exposure

USD 500K annual India B2C revenue since 2017: roughly 7 years x 18% = USD 630K in tax, plus interest and penalties — potentially exceeding USD 1M.

What to do right now

- Assess your India revenue back to your first Indian sale
- Determine OIDAR applicability and classify transactions
- Register immediately if not already registered
- Consider voluntary disclosure to reduce penalty exposure
- If you've received a notice — engage a specialist within 24 hours

Don't wait for a notice to arrive

Book a free risk assessment. We'll assess your exposure and tell you exactly what to do — at no cost.

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