FAQ

Top 10 OIDAR GST Questions Answered

The most common questions from CFOs and finance heads at foreign digital companies.

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Updated June 2026

1. We are a US company with some Indian users. Does OIDAR apply?

Yes. If incorporated outside India and providing digital services to Indian customers, OIDAR applies. There is no minimum revenue threshold — even a single paying Indian customer triggers it. B2C supplies attract 18% IGST.

2. All our Indian customers are businesses (B2B). Do we register?

In a purely B2B scenario, tax shifts to the Indian business under RCM and registration may not be mandatory. But most companies have some B2C customers, and even one non-registered customer creates the obligation.

3. Our India revenue is small. Is it worth registering?

The law has no de minimis threshold. CBIC issues retrospective demands back to 2017, so small revenue compounds into significant liability. Voluntary registration is far better than waiting for enforcement.

4. How does India know about our revenue?

CBIC uses payment processor data (Stripe, PayPal, Razorpay), app store reports (Google, Apple), and RCM filings by Indian B2B customers. The assumption of invisibility is no longer valid.

5. What is GSTR-5A and how often do we file?

GSTR-5A is the return for foreign OIDAR providers, filed monthly, due by the 20th of the following month. Tax is paid before filing. A nil return is required even with zero transactions.

6. We received a Show Cause Notice. What do we do?

Act immediately — an SCN has a ~30-day response deadline. Missing it results in an ex-parte order. Engage a specialist within 24 hours and gather all India transaction records.

7. Can India demand taxes back to 2017?

Yes. OIDAR has applied since July 2017. The limitation period is 3 years, extending to 5 in cases of suppression. Liability accrues from when the obligation arose, not when you became aware.

8. We use a reseller / distributor in India. Does OIDAR apply?

It depends on structure. Supplying to a GST-registered reseller is B2B. But supplying directly to end-customers through a billing intermediary may still be OIDAR. Substance matters more than billing structure.

9. We already pay VAT/GST in UK, EU, Australia. Need India too?

Yes. India's OIDAR registration is entirely separate from other jurisdictions. Each has its own digital services tax regime. Existing registrations elsewhere do not satisfy India obligations.

10. How long does registration take and what's needed?

7-15 working days. Documents: certificate of incorporation, proof of place of business abroad, authorisation for Indian representative, PAN if held, bank details, authorised signatory details.

Have a question not covered here?

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