



INDIA → UK · TECHNOLOGY CORRIDOR

Doing Business in the UK

A decision guide for Indian technology, SaaS and digital services companies

Key points

- 1 The UK can be a market, a sales and leadership base over Indian delivery, or a place to buy customers through an acquisition.
- 2 The UK–India trade agreement (CETA) and social security agreement took effect on **15 July 2026**. Indian staff sent by an Indian employer can stay in Indian social security for up to 60 months, but they **still need a UK visa**.
- 3 A UK company owned by your Indian company pays 19–25% tax. Because the Indian parent counts as an associated company, 25% starts at lower profits.
- 4 India charges the UK company for delivery. India's 15.5% safe harbour protects the Indian side only; HMRC still tests the UK deduction.
- 5 Plan about 3 months to a working UK team, or 4–5 months if staff need sponsored visas.

Who this guide is for

Founders, CEOs and CFOs of Indian IT services, SaaS, product and digital firms that are winning UK customers, hiring their first UK person, raising international money, or considering a UK acquisition.

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Cross-border structuring, tax and compliance for founders, family businesses and CFOs, from the first decision to a running operation.

1. The short answer

The UK can work for an Indian technology company in three ways. It can be a **market**, where UK businesses buy what you already sell. It can be a **base**: UK sales, customer and leadership teams, with engineering and delivery staying in India. It can also be a **place to buy customers**, by acquiring a UK company that already has them.

This guide covers all three. For the second, it explains the setup most firms choose: a UK company owned by your Indian company. A UK company on paper changes nothing. It helps only when real work, such as selling, account management and senior decisions, sits in the UK.

Why now?	The UK–India trade agreement (CETA) and a new social security agreement took effect on 15 July 2026. They give Indian IT firms clearer rules for selling services into the UK and make it cheaper to send staff.
Do we need a UK company?	Not always. Many firms sell from India first. A UK company usually makes sense when UK revenue becomes meaningful, UK customers want UK contracting, or you are hiring your first UK salesperson.
Can we own 100%?	Yes. Your Indian company can own 100% of a UK company. UK government clearance applies only when buying a UK company in a sensitive sector (Section 6).
Can we send money from India?	Yes. Under the automatic route, your Indian company can invest overseas up to 4 times its net worth, with equity, loans and guarantees counted together.
How fast?	About 3 months from decision to a first working UK team. Allow 4–5 months if staff need sponsored visas.
What tax does the UK company pay?	25% on profits above £250,000 and 19% at £50,000 or below, with marginal relief in between. The limits are divided among associated companies, including the Indian parent, so 25% usually applies sooner (Section 9).
Can we take money out?	Yes. The UK does not withhold tax on dividends. India taxes dividends from the UK company at normal company rates. Payments for genuine intercompany services must be priced at arm's length.
Can we send Indian staff?	Yes. Staff sent by an Indian employer can remain in Indian social security for up to 60 months, with no UK National Insurance, once they have an EPFO certificate of coverage. They still need a UK work visa (Section 8).
What are the main risks?	Pricing between your two companies, creating a UK tax bill for the Indian company by accident, the UK company being run from India, UK hiring rules, and UK buyers' data and security demands. All are manageable when planned early (Section 12).

2. The UK at a glance

£48.0bn UK–India trade in goods and services, 2025 <i>DBT / ONS</i>	1,912 Indian-owned companies in the UK, 2026, up nearly 60% <i>Grant Thornton</i>	£105.8bn Combined turnover of those companies <i>Grant Thornton</i>	203,549 People they employ in the UK <i>Grant Thornton</i>
137 Services sub-sectors covered by UK commitments under CETA <i>Government of India</i>	17% Share of India's tech exports that go to the UK, second only to the US <i>Nasscom</i>	38% Indian-owned UK companies based in London <i>Grant Thornton</i>	US\$1.2tn Value of the UK tech sector, third in the world (end-2024) <i>HSBC / Dealroom</i>

Sources: Department for Business and Trade and ONS; Grant Thornton, *India Meets Britain Tracker 2026*; Government of India CETA factsheet; Nasscom; HSBC Innovation Banking and Dealroom. The employment figure includes about 44,000 at Jaguar Land Rover, so tech is a smaller share.

What this means for you

Indian technology firms are already a large presence in the UK. You would be entering a well-used route, with advisers, banks and buyers who know how Indian delivery works.

3. How do Indian tech firms use the UK?

The UK is a large market, but what matters is whether it holds the buyers, talent or investors your business needs. Most firms fit one or more of these:

Role	What it looks like	Often starts when...
A market for what you sell	UK banks, insurers, retailers or public bodies buy your product. Ask whether the UK has a dense group of the buyers you serve.	UK clients become meaningful.
A sales base for Indian delivery	A UK team sells, signs contracts and manages accounts. India builds and delivers. This can move you from "build this application" to "run this function for us".	Enterprise buyers want UK contracting or a senior UK contact.
A head office for customers outside India	London leads sales into the UK, Europe, North America and the Middle East. A UK company gives no legal access to the EU market.	Customers span several regions and need senior leadership close by.
A stronger position with buyers	Large buyers see a UK-facing business with local accountability, not an offshore vendor with a UK registration. This works only if real people and decisions sit in the UK.	You lose deals to firms seen as local.
A route to investors	UK and international investors become part of your funding plans. Settle the structure before a funding round, not during due diligence.	A later funding round is planned.
A source of skills	A few UK hires in sales, product, security or sector expertise make a large India team more valuable. 300 engineers in India plus 5 specialists in London can change what the whole team can sell.	A strong team lacks sector or sales leaders.
A place to buy customers	You acquire a UK company with customers, people and local standing, and add Indian delivery.	You want UK customers faster than you can build them.

Two shortcuts are worth testing first. You can follow your Indian clients into the UK, since many have UK operations. You can also target global buyers whose technology decisions are made in Britain. A UK win can open that buyer's other countries.

4. What changed in July 2026?

Change	What it means for you
UK–India trade agreement (CETA)	In force since 15 July 2026. The UK made commitments across 137 services sub-sectors, including computer and related services, plus new chapters on digital trade and business mobility. It locks in access for business visitors and intra-company transferees. UK licensing, visa and immigration rules still apply.
Social security agreement	Indian staff sent to the UK by an Indian employer on or after 15 July 2026 can stay in Indian social security for up to 60 months, with no UK National Insurance. Staff already working in the UK on that date are not covered and pay UK National Insurance. The self-employed are excluded. Staff employed by your UK company pay UK National Insurance from day one.
What did not change	CETA does not remove visas, sponsor licences, salary thresholds or the Immigration Skills Charge. It does not guarantee free movement of data. UK and Indian tax apply in full. A UK company gives no EU market access.

5. Is the UK right for you?

A strong fit if...

- UK customers already ask for you and UK revenue is growing.
- Enterprise buyers want UK contracting, support or a senior local contact.
- You can name what will sit in the UK and who leads it.
- You expect to raise money from international investors.
- A UK company with customers fits your plan.

Think twice if...

- UK revenue is small and arrives without a sales effort. A ₹30 crore company with two £50,000 UK customers rarely needs a UK company.
- You want a UK address only. Buyers will see no difference.
- No one can lead the UK for the first year.
- Your net worth is small compared with your plan, which limits what India allows you to invest overseas.

A ₹100 crore company earning 30% of revenue abroad, building UK enterprise sales and considering outside funding is in a different position. The company's stage matters more than its size.

6. How do you enter? Six routes

Option	How it works	Best when	Watch out for
Sell from India	You sign UK customers directly and travel as needed.	You are testing demand.	Some UK enterprise buyers prefer UK contracting.
UK partner or reseller	A UK firm sells or delivers your product.	You want to enter with limited investment.	Agree territory, customer ownership, IP and exit terms in writing.
Hire through a payroll partner (EOR)	A partner employs UK staff on your behalf.	You need a first salesperson, or want a test.	A UK-based person acting for you can create a UK tax bill for the Indian company.
UK company owned by your Indian company	You form a UK company you own 100%. It sells, signs contracts and manages customers. India builds and delivers.	You plan for the long term, with UK hires or real UK revenue.	Set-up and compliance duties, and pricing between the two companies. This is where we help most.
Buy a UK company	You acquire a firm with customers and people.	You want customers and local leadership faster than you can build them.	Price, due diligence, customer contracts, keeping the founders. Buying more than 25% of a company in one of 17 sensitive sectors (list being revised in 2026) needs government clearance before closing. Stamp duty of 0.5% applies to share purchases.
UK branch of the Indian company	No separate company. The Indian company operates in the UK directly.	Rarely.	Usually not advised. UK tax and legal claims reach the Indian company directly, and it is harder to bring in investors or sell the UK business later.

Many firms move in stages: sell from India, add a partner, hire a first UK person, form a company, then consider buying one.

7. Where should you set up?

Choose the city by where your customers and hires are.

City	Best for	Other factor
London	Banks, insurers, large enterprises, investors, senior hires.	Highest costs. 38% of Indian-owned UK companies are here.
Manchester	Digital, financial and professional services buyers.	Lower costs than London.
Leeds	Financial services and health technology.	Mastek expanded its Leeds office in February 2026.
Edinburgh	Financial services and data.	A major financial centre with lower costs than London.
Cambridge and Oxford	AI, deep technology, life sciences.	Leading UK venture clusters outside London.

8. How do you move or hire people?

Anyone coming to work in the UK needs a work visa. In most cases the UK company must hold a sponsor licence first.

Route	Who it suits	Key rules	Employer cost
Business visitor	Short trips: meetings, negotiating contracts, conferences.	No productive work for UK clients. CETA locks in access but does not widen what visitors may do.	None
Skilled Worker	Hiring onto the UK payroll for the long term. Leads to settlement.	Degree-level (RQF 6) role. Salary at least £41,700 or the job's going rate, whichever is higher.	Sponsor licence. Immigration Skills Charge £1,320 a year (£480 for small sponsors).
Senior or Specialist Worker (Global Business Mobility)	Sending an existing Indian employee to the UK company.	Usually 12 months with the group outside the UK (waived at £73,900+). Salary at least £52,500 or the going rate. No route to settlement.	Sponsor licence held by the UK company. Skills Charge applies.
UK Expansion Worker	Sending first staff before the UK company starts trading.	UK company registered but not yet trading. Up to 5 workers, 2 years in total. Salary at least £52,500.	Expansion sponsor licence. Skills Charge applies.

Sponsor licence. £611 for small sponsors or £1,682 for medium and large. Most decisions take under 8 weeks; a £750 priority service aims for 10 working days. **Social security.** Staff covered by the new agreement stay on Indian social security, but the visa rules above still apply.

9. Tax, money and law

Tax follows what each company actually does. India builds and delivers. The UK company sells and manages customers. The paperwork must match that.

Topic	What you need to know
UK company tax	25% on profits above £250,000; 19% up to £50,000, sliding in between. The limits are divided among associated companies, including the Indian parent and other overseas group companies. With one UK subsidiary they halve to £25,000 and £125,000.
How India is paid	The Indian company charges the UK company a fair price for engineering and delivery. Both tax offices check it.
Fixed margin (safe harbour)	From 2026–27, India offers a 15.5% margin on costs for low-risk IT and IT-enabled services to overseas group companies, for up to 5 years, for transactions up to ₹2,000 crore. It binds only India's tax department; HMRC applies its own arm's-length test to the UK deduction.
GST in India	Services to your UK company or UK customers can be zero-rated exports under a Letter of Undertaking, subject to export conditions.
UK VAT	Indian companies supplying UK businesses usually fall under the UK reverse charge. A UK company registers once taxable turnover exceeds £90,000. A business not established in the UK must register from its first UK taxable supply.
Selling to UK customers	Service fees are paid in full with no UK withholding tax. Payments for software licences may face withholding tax, which the UK–India treaty limits.
Money out of India	Invest through your bank under the automatic route, up to 4 times net worth (from the last audited balance sheet). File Form FC with the first remittance. File the Annual Performance Report by 31 December each year.
Money back to India	The UK does not tax dividends at source. India taxes dividends from the UK company at normal company rates.
UK staff and payroll	Employer National Insurance is 15% on pay above £5,000 a year. On a £60,000 salary that is £8,250. Workplace pension duties apply.
Employment law	Protection is increasing. From 1 January 2027, employees gain unfair dismissal protection after 6 months' service, instead of 2 years.
R&D relief	The merged scheme gives a 20% taxable credit on qualifying UK R&D. Work done by the India team will not usually qualify.
Data and security	UK data-protection rules apply when the India team handles UK personal data. Transfers to India need a transfer mechanism, such as the UK IDTA or Addendum, plus a transfer-risk assessment. UK buyers may also require ISO 27001 or Cyber Essentials.
Intellectual property	Decide early who owns, funds and controls the IP. Moving valuable IP to the UK without advice can create a tax bill in India.
UK filings	Annual accounts, corporation tax return, yearly confirmation statement (£50), VAT and payroll returns. Directors must verify their identity with Companies House, and the Indian parent must name an officer who does the same.

Worked example · how profit splits at cost plus 15.5% (illustrative)

The India team costs £500,000. India charges the UK company cost plus 15.5%: **£577,500**. India's profit is **£77,500**, taxed in India.

The UK company bills UK customers **£900,000**. Its own sales and office costs are **£200,000**, and it pays India **£577,500**. **UK profit is £122,500**.

With the Indian parent as an associated company, the UK limits are £25,000 and £125,000. UK tax is 25% less a small marginal relief: **about £30,590**. HMRC will check that £122,500 fairly rewards what the UK team does.

10. What does it cost to start?

Item	Amount	Note
Company incorporation (online)	£100	Companies House
Confirmation statement	£50 a year	Companies House
Sponsor licence, if sponsoring staff	£611 or £1,682	Plus £750 for priority
Immigration Skills Charge, per sponsored worker	£480 or £1,320 a year	Small or medium/large sponsor
Employer National Insurance on a £60,000 hire	£8,250 a year	15% above £5,000

Government fees only. Professional fees for accounts, tax, payroll, registered office and legal work come on top and vary widely; we quote them in the feasibility report.

Government support

Support	What it is	Note
R&D tax credit	A 20% taxable expenditure credit on qualifying UK R&D costs under the merged scheme.	Overseas R&D is restricted.
Innovate UK grants	Grant competitions for UK-based businesses.	Eligibility varies by competition.
Landing support	London & Partners and the Department for Business and Trade help overseas firms enter the UK.	Useful for introductions and local advice.

11. Illustrative setup timeline: around 3 months

Weeks 1 to 3	Plan: confirm what sits in the UK and what stays in India. Agree the structure and pricing model.
Weeks 4 to 6	Complete identity checks. Form the UK company. Register for UK tax. Start the bank account.
Weeks 7 to 10	File Form FC and send the investment. Register for payroll and VAT. Sign the services agreement and data terms.
Weeks 11 to 13	Go-live: first hire or UK lead starts. Contracts, data safeguards and payroll are in place.
If staff move	Sponsor licence (about 8 weeks) and visas run alongside. Allow 4 to 5 months in total.
Months 4 to 12	Grow the UK team in stages. Complete first UK filings, pricing documents and the Annual Performance Report to the RBI.

12. Main risks and how we manage them

Risk	What it means	How we manage it
Pricing between your companies	Both UK and Indian tax offices can challenge the price India charges the UK company.	Written pricing from day one. Use India's fixed margin where it applies, and test the UK side separately.
Indian company taxed in the UK	If UK staff sign contracts for the Indian company, or Indian staff work in the UK for long periods, the Indian company can face UK tax.	Set the structure and contracts before hiring. Plan each posting.
UK company run from India	If key decisions are made in India, India can treat the UK company as Indian-resident.	Hold board meetings and make key decisions in the UK. Keep the minutes.
IP and profit	Where IP sits affects where profit is taxed.	Decide who owns, funds and controls the IP early. Match pricing to it.
Data and security	UK buyers test your security and data handling before signing.	Put safeguards and certifications in place before the India team handles UK data.
UK hiring costs and rules	UK people cost more, and employment protection is increasing.	Hire few, senior and specific. Use proper contracts. Plan probation and exits.
Overseas investment filings	Missing a filing or exceeding the net-worth limit causes penalties and delays.	We run the filing calendar and check the limit before each transfer.
A UK company without a UK business	Buyers notice quickly. Cost is added with no gain.	Decide what will actually sit in the UK before forming the company.
Acquisition risk	Hidden customer terms, key people leaving, or a missed clearance can sink the deal.	Early diligence, retention terms for founders, and a clearance check before signing.

13. Indian firms that have done it

Examples from company announcements and press reports. Some are larger than most readers, but the routes are the same.

Company	Route	What happened
Hexaware	Buy a UK company	Agreed in May 2026 to buy London consultancy CPS (about 90 staff) for up to £11m: £6m upfront and up to £5m tied to performance.
Mastek	Own UK subsidiary	Mastek (UK) Limited expanded its Leeds office in February 2026 to a 100-seat site.
Wipro	Buy a UK company	Bought Capco, a London-headquartered global management and technology consultancy, for US\$1.45bn in 2021, gaining a financial services client base.
HCL Technologies	Buy a UK company	Acquired UK-based SAP consultancy Axon Group for about £441m in 2008.

14. Frequently asked questions

How do I set up a UK subsidiary from India?

Decide what will sit in the UK. Register a private limited company with Companies House (£100 online); directors and the parent's named officer verify their identity. File Form FC with your Indian bank when you send the first investment. Then register for UK tax, payroll and, where needed, VAT.

How is a UK company owned by an Indian company taxed?

It pays corporation tax of 19% to 25%. Because the Indian parent counts as an associated company, 25% starts at lower profits. The UK withholds no tax on dividends to India, but India taxes them at normal company rates.

How long does a UK sponsor licence take?

Most are decided in under eight weeks. A £750 priority service aims for 10 working days, with limited places. After approval you assign a certificate of sponsorship and the employee applies for a visa. Allow two to three months in total.

Global Business Mobility or Skilled Worker: which visa should we use?

Use Senior or Specialist Worker to transfer an existing employee: they usually need 12 months with your group, and the floor is £52,500. Use Skilled Worker to hire for the long term: the floor is £41,700 or the going rate, and it can lead to settlement.

Do Indian employees in the UK pay National Insurance after the India–UK agreement?

Not if sent by their Indian employer on or after 15 July 2026 with an EPFO certificate of coverage, for up to 60 months. Staff already in the UK on that date, and anyone on the UK payroll, pay UK National Insurance.

Does the India–UK trade deal remove UK visa requirements?

No. CETA locks in existing access for business visitors and intra-company transfers and adds limited routes in some sectors. It does not change visa fees, salary thresholds or the Immigration Skills Charge.

15. How Greenwolf helps you expand to the UK

Registering a UK company takes a day. Setting it up so that your UK and Indian companies work as one business, with no tax surprises in either country, is where the real work begins.

Greenwolf looks at both sides of the structure: commercial, tax, FEMA, transfer pricing, people, data and ongoing compliance. We lead on the Indian side and coordinate the UK side with UK accountants, lawyers and immigration specialists, so you have one adviser responsible for how the whole structure fits together.

- 1 First, we tell you whether you need a UK company at all.**

We look at your UK customers, pipeline, revenue mix and plans. Selling from India, a reseller or a first hire through an employer of record is often the right first step, and we will say so. If a UK company makes sense, we tell you what it should do: sell, manage accounts, lead international sales, or hold an acquisition.
- 2 We identify the right way into the UK.**

Subsidiary, partner, payroll partner or acquisition? London or a lower-cost city closer to your buyers? Which visa route for the people you want to move? We compare the options on your customers, hiring plans, cost and timeline.
- 3 We structure India and the UK together.**

This is where most of the value sits. Who owns the UK company and how it is funded within the overseas investment limits; what India does and what the UK does; how India charges the UK company, using the 15.5% safe harbour in India while satisfying HMRC; who owns the IP; how data moves from the UK to India; and how staff move under the new social security agreement.
- 4 We execute the setup through one coordinated team.**

Companies House registration and identity checks, HMRC registrations, bank account, payroll and VAT, Form FC and overseas investment filings in India, the services agreement and transfer-pricing file, data transfer terms, and the sponsor licence and visas through immigration partners.
- 5 We keep both sides compliant after launch.**

One calendar for both countries: UK accounts, corporation tax, VAT, payroll and confirmation statements; Indian Annual Performance Report, transfer-pricing report and filings. The same team sees both sets of books, so the pricing and the tax positions stay consistent.
- 6 We help the structure evolve as the business grows.**

Buying a UK company (diligence, financing, Indian approvals and UK clearance), raising money from international investors, expanding into Europe or the US from London, and moving cash between the two countries. Greenwolf stays on as your cross-border adviser.



What you have at each stage

After the assessment

A clear recommendation: whether to set up, which route, what it will cost and how long it will take.

After structuring

A structure chart, what each company does, the pricing between them, and the tax position in both countries.

After set-up

A registered, funded and banked UK company that can hire, invoice and pay salaries.

After launch

Filings made on time in both countries, and one team that knows both sets of books.

What we need from you. A decision-maker who can approve each step, documents for your Indian company and directors, and a named person to lead the UK business.

Start with an assessment

In one conversation we will tell you whether a UK company makes sense for your business, which route fits, what it involves and how long it will take.

Speak with a strategist: www.greenwolfadvisors.com · info@greenwolfadvisors.com

Sources: GOV.UK (corporation tax, employer rates 2026–27, VAT, R&D merged scheme, Companies House fees, sponsor licences, Skilled Worker and Global Business Mobility routes, National Security and Investment Act, UK–India Double Contributions Convention explainer); Department for Business and Trade; ONS; Grant Thornton, India Meets Britain Tracker 2026; Nasscom; HSBC Innovation Banking and Dealroom; Income-tax Act, 2025 and Income-tax Rules, 2026; FEMA (Overseas Investment) Rules, 2022; Employment Rights Act 2025; company announcements. General information, not tax, legal or immigration advice. Confirm the position for your case before acting.



Talk To Our Strategist

One conversation. We tell you which route fits your business, what it involves and how long it will take.

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