Getting the Deal Through: Licensing

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Safir Anand and Swati Sharma identify the different options and the processes behind licences in India. A foreign licensor can establish business in India either by way of a joint venture or foreign direct investment (FDI) or by establishing a liaison office in India. There are no restrictions on the establishment of a business entity by a foreign licensor or a joint venture involving a foreign licensor. Foreign companies may appoint licensees in India to sell their products as per the terms of the licence agreement. Licensees typically pay fees to the licensor by way of royalty and technical know-how fees. Until 2009, as per the guidelines of the government of India, royalty payments at the rate of 8 per cent on exports and 5 per cent on domestic sales (without any restriction on the duration of payment) and a lump sum payment not exceeding US$2 million (in the case of technology transfer) could be paid directly through an authorised dealer. *This chapter was published in Getting the Deal Through: Licensing 2017.* To continue reading, please contact us at email@anandandanand.com

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