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213 million), Budget 2026 introduces a fast-track unilateral APA process for IT/ITeS services, with a targeted **2-year timeline** (vs. up to 5 years earlier), improving dispute resolution and planning certainty, making APA a viable option to dispute resolution. Mid-size GCCs can also look at APAs to explore the possibility of a lower mark-up than 15.5%.

From Setup to Scale: Tax as a Strategic Pillar for Future-Ready GCCs

What are the key tax reforms in Budget 2026 for global MNCs setting up mid-size and large GCCs in India, particularly around transfer pricing certainty and dispute resolution?

Budget 2026 enhances tax certainty for global MNCs establishing GCCs in India. Historically, these GCCs faced ambiguity in determining appropriate transfer pricing mark-ups, with prescribed rates ranging between 17% and 24% across IT, ITeS, KPO, and contract R&D services. For mid-size GCCs, the Safe Harbour regime (SHR) has been simplified by consolidating IT/ITeS/KPO/R&D into a single "IT Services" category with a **uniform 15.5% mark-up**. The turnover threshold has also been increased to **INR 20,000 million** (~USD 213 million), making the regime accessible to more GCCs.

For large GCCs i.e., with turnover higher than INR 20,000 million (~USD

How are Indian states rolling out incentives for global MNCs looking to set up GCCs?

Indian states are offering a broad mix of incentives to attract GCCs, covering **capital support, real estate and infrastructure benefits, talent and employment incentives, operational cost savings, and ease of doing business measures**.

States with well-defined policies include **Karnataka, Maharashtra, Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Odisha, Madhya Pradesh, Haryana, Gujarat, and Telangana** while **Rajasthan and Bihar** also have recently introduced GCC policies. Together, these aim to lower setup and operating costs while enabling faster and smoother market entry for global MNCs.

GIFT City also offers a compelling alternative for GCCs, particularly in financial services, through its IFSC framework, with built-in advantages such as tax incentives, regulatory relaxations, and globally benchmarked infrastructure.

What new tax measures around data centres have been introduced, and how might they influence GCCs' long term strategies?

Budget 2026 introduces a **long-term tax exemption until 2047 for foreign companies procuring data centre services from specified Indian data centres**, positioning India as a highly attractive jurisdiction for IT infrastructure. Foreign companies can now establish their wholly owned subsidiaries in India for data centre management, qualifying for a SHR mark-up of 15%, thereby making data centre operations in India more financially viable.

For GCCs, the strategic implications are substantial. The exemption enhances operational resilience, aligns scalability with a **supportive and certain tax regime**, and encourages capital investment, joint ventures, and deeper global participation, embedding India more firmly into the global digital supply chain. ■