INDIA – EUROPEAN UNION FREE TRADE AGREEMENT

Key Provisions & Opportunities for Services

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BACKGROUND

A Landmark Pact

Services are a core pillar: India–EU services trade reached roughly USD 83 billion in 2024, and the services commitments here the most ambitious it has made in any trade agreement to date.

25%

of global GDP represented by the two economies

~2 bn

combined population covered by the pact

$83 bn

India–EU services trade in 2024

144

EU services subsectors with binding commitments

Four Pillars of the Services Chapter

Market Access & Non-Discrimination

144 EU / 102 India subsectors opened

Domestic Regulation

Licensing, transparency, local-presence rules

Mobility of Professionals

ICTs, CSS, independent professionals (Mode 4)

Financial Services and Telecom

Dedicated Annex for both financial services and telecom, banking & fintech cooperation

Sectoral Market Access & Coverage

144

Services and subsectors
with binding commitments

102

Indian subsectors opened

Certainty of market access, non-discriminatory treatment, focus on digitally delivered services, ease of mobility will provide boost to India's services exports

EU commitments span IT/ITeS, professional services, business services, education, telecom, financial, environmental and maritime services — giving Indian exporters certainty across a broad services spectrum.
IT/ITeS, Professional Services, Other Business Services and Education Services are sectors with minimal or no restrictions.

India's reciprocal offer of 102 subsectors is targeted at EU priorities: professional, business, telecommunications, maritime, financial and environmental services.

The chapter is built on the WTO's GATS framework but layers in improvements found in the EU's more recent-generation trade agreements — moving beyond baseline GATS disciplines.

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OPPORTUNITIES

Sector-wise Gains for India

IT & ITeS

Easier Mode 1 cross-border supply plus Mode 4 mobility — a hedge for India's ~$280bn IT sector against US/H-1B dependence.

Professional Services

CA, tax, legal & consulting firms get predictable entry to 27 EU states; CSS routes ease short-term deployment for audits & ERP projects.

Financial & Fintech

More bank-branch headroom, clearer FDI references, and structured RegTech/SupTech and payments cooperation.

Education & Research

Facilitative framework for Indian students, post-study work routes, and a future Social Security Agreement track.

GCCs, Engineering & R&D

Support for Global Capability Centres opens opportunities in engineering, R&D, architecture, LPO and digital marketing.

Domestic Regulation, Licensing & Transparency

Comprehensive domestic regulation principles

Adopts a comprehensive domestic regulations principle which is GATS plus — for transparent, reasonable and objective licensing and qualification procedures.

Senior Management & Boards

New commitments (not previously offered by India under GATS) on senior management and board-of-director composition requirements for foreign services firms.

Local Presence Limits

Clearer limits on local-presence requirements, giving firms more certainty on operating without mandatory local incorporation or resident executives.

Mobility of Professionals — Mode 4

A dedicated Mobility Chapter — described as among the most ambitious either party has agreed to — sets common rules for temporary entry across four categories:

- **Intra-Corporate Transferees (ICTs)**
- **Contractual Service Suppliers (CSS)**
- **Independent Professionals**
- **Business Visitors & Dependants**

The EU has also offered commitments in 37 sectors/sub-sectors for Contractual Service Suppliers (CSS) and 17 sectors/sub-sectors for Independent Professionals (IP), many of which are sectors of interest to India, including Professional Services, Computer and related Services, Research and Development Services, and Education Services.

Additional Obligations

- A robust mechanism for recognition of professional qualification under the Professional Services Annex.
- India also secured a framework to constructively engage on Social Security Agreements over a five-year horizon, together with a framework supporting student mobility and post-study work opportunities.
- Additionally, India has also secured access for practitioners of Indian Traditional Medicine to work under home title in EU Member States where traditional medical practices are not regulated.

Financial Services Annex

A dedicated 16-article annex goes beyond standard GATS commitments, establishing an institutional and regulatory cooperation framework between the two financial systems.

16

Articles in the dedicated Financial Services Annex

Digital Payments & Fintech Cooperation

Both sides commit to cooperate on electronic-payment interoperability and real-time transaction infrastructure — including linking of payment systems (with reported interest in UPI-style integration), remittance and merchant-payment corridors, and fintech cooperation covering SupTech, RegTech and CBDCs.

It also takes into account India's sensitivities through permitting the Parties to have prudential measures to protect the financial markets and investors, and allows sufficient policy space for India's central bank.

Telecom Annex

- The **Telecommunications Services Annex** of the India–EU Free Trade Agreement establishes a common regulatory framework to ensure that telecom markets remain transparent, competitive and accessible while preserving each Party's regulatory autonomy.
- Detailed obligations relating to the establishment of an independent regulator, interconnection, and access to public telecom networks, among others

Thank you