

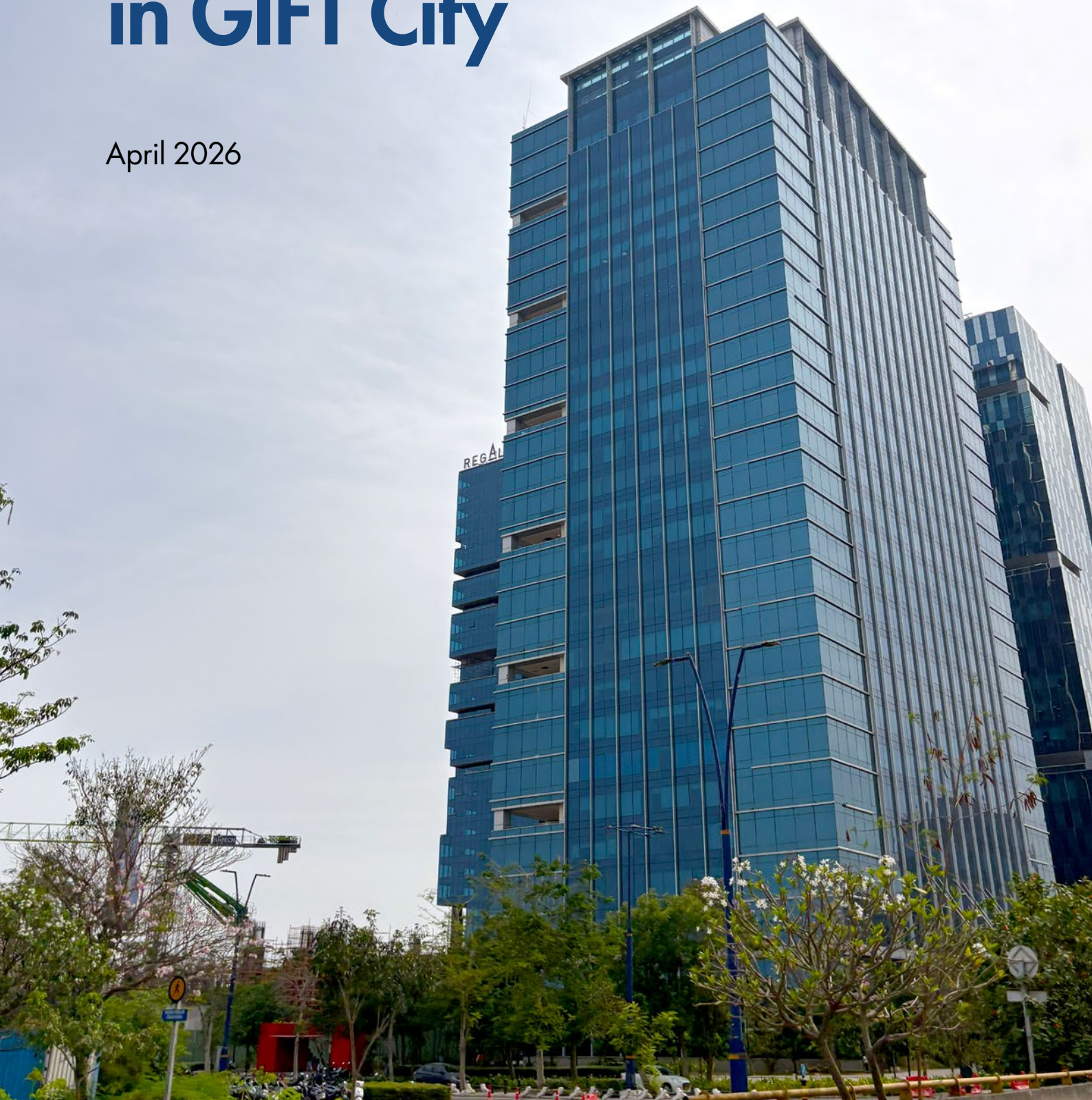


d h r u v a

A Ryan LLC Affiliate

# Doing Business in GIFT City

April 2026



# TABLE OF CONTENTS

Foreword	04
Executive Summary	06
Introduction to IFSC	15
Regulatory Framework	21
<b>Financial Services</b>	
Finance Companies	26
Aircraft Leasing	28
Ship Leasing	30
Global Treasury Centre	32
Fund Management Entity	34
Capital Market Intermediaries	40
<b>Banking and Insurance</b>	
Banking	45
Insurance	47
Insurance Intermediaries Office	49
<b>Corporate and Support Services</b>	
Global In-house Centre	51
Book-keeping, Accounting, Taxation and Financial Crime Compliance Services	52
TechFin and Ancillary Services	53

Technology, Innovation, and Education	
FinTech	55
Payment Service Provider	57
Foreign Universities	59
<hr/>	
Individual Participation in IFSC – Investment and Banking Avenues	60
<hr/>	
IFSC: Select Developments and Regulatory Initiatives	62
<hr/>	
Tax Regime in IFSC	64
<hr/>	
Relaxation under the Companies Act, 2013	67
<hr/>	
Foreign Exchange Regulations	69
<hr/>	
Gujarat State Incentives	71
<hr/>	
Establishing Presence in IFSC – Process Overview	75
<hr/>	
Glossary	78
<hr/>	

## Foreword

---

India's aspiration to position itself as a leading global financial centre has gained momentum with the establishment and rapid evolution of the IFSC at GIFT City, Gujarat. Designed to serve as India's gateway to global financial markets, the IFSC represents a significant step towards strengthening the country's financial ecosystem while enabling seamless integration with international capital and financial services. The continued development of the IFSC aligns with India's broader economic vision of strengthening its position as a globally competitive financial and investment destination.

Over the past few years, the IFSC has witnessed considerable regulatory and institutional development. The establishment of a unified regulator - IFSCA, along with a facilitative regulatory framework, has helped create a distinctive jurisdiction that combines global best practices with India's economic strengths. As a result, IFSC is steadily emerging as an attractive destination for a wide range of financial services sector and allied activities including fund management, aircraft and ship leasing, global treasury operations, banking, insurance and reinsurance, capital market intermediaries, fintech and global in-house centres.

Competitive tax incentives, progressive regulatory framework and relaxations under foreign exchange and other laws have created a platform that enables institutions to structure and manage cross-border financial activities efficiently within India's economic framework. These features are increasingly encouraging global institutions as well as Indian businesses to evaluate the IFSC as a strategic location for international financial operations.

As with any evolving financial jurisdiction, navigating the regulatory, tax, and operational landscape requires a clear understanding of the applicable frameworks and emerging developments. Businesses looking to establish or expand their presence in the IFSC



should carefully evaluate regulatory requirements, tax implications, and structuring aspects in order to fully realise the opportunities available.

In this context, our publication, **Doing Business in GIFT City**, seeks to provide an overview for businesses and investors, regarding permissible activities, key tax and foreign exchange aspects, and the process for establishing operations in the IFSC.

We hope this publication is useful and look forward to your feedback.

Warm regards,

**Dinesh Kanabar**

Chairman & CEO

[dinesh.kanabar@dhruvaadvisors.com](mailto:dinesh.kanabar@dhruvaadvisors.com)

## Authors

---



**Mehul Bheda**

Partner

mehul.bheda@dhruvaadvisors.com



**K Venkatachalam**

Senior Advisor

k.venkatachalam@dhruvaadvisors.com



**Paras Sheth**

Principal

paras.sheth@dhruvaadvisors.com



**Juhi Aswani**

Senior Associate

juhi.aswani@dhruvaadvisors.com



**Sakshi Chawla**

Senior Associate

sakshi.chawla@dhruvaadvisors.com

---



# Executive Summary

## Introduction to IFSC

GIFT City is conceived as India's first smart city and a global financial and technology hub. Developed by the Government of Gujarat as a greenfield project, it is designed to provide world-class infrastructure and a globally benchmarked business environment to support international financial services.

GIFT City spans ~886 acres and operates under a dual model: a DTA and a Multiservice SEZ housing the IFSC and Information Technology and Information Technology enabled Services.

The IFSC is a notified SEZ for carrying out financial services. It enables banks, fund managers, insurers, intermediaries, asset leasing entities and other permitted financial institutions to undertake international financial business from India.

The IFSCA, operational since 2020, is the unified regulator for IFSC. It consolidates regulatory powers, streamlines approvals, and promotes market integrity and ease of doing business.

The IFSC offers ease of doing business, a competitive tax, foreign exchange and a light-touch regulatory regime, with streamlined approvals and processes. It is supported by the modern infrastructure, incentives and steadily growing talent pool.



# Regulatory Framework

## Permissible Businesses in IFSC

Businesses such as finance companies, aircraft leasing, ship leasing, global or regional corporate treasury centres, fund management, capital markets, banking, insurance, corporate support services, global in-house centre, fintech, foreign universities and payment services are permitted.

## Common IFSC Regulatory Requirements

The IFSC Units are required to appoint designated key officers (viz. Principal Officer and Compliance Officer), maintain adequate infrastructure, operational substance, and meet prescribed net worth or owned fund thresholds. Further, the IFSC Units are required to meet fit-and-proper criteria, adhere to anti-money laundering reporting, IT and cybersecurity standards, and conduct operations in freely convertible or other permitted foreign currency. Prior approval of the Authority is required for specified structural or ownership changes.

## Business Specific IFSC Regulatory Requirements

### Financial Services



#### Finance Company

Finance Company and Finance Unit in the IFSC are permitted to undertake core and non-core financial activities including lending, investments, leasing and treasury operations. They are required to comply with applicable prudential and governance norms.



#### Aircraft Leasing

Aircraft leasing Units may undertake operating and finance lease of aircraft and related aviation assets, including sale-and-leaseback transactions and asset management services. Applicable prudential and corporate governance norms are required to be complied with. Certain restrictions on transactions with Indian residents are required to be considered.



#### Ship Leasing

Ship leasing Units may undertake operating and finance lease of ships and related maritime assets, including voyage charters, sale-and-leaseback transactions and asset management services. Applicable prudential and corporate governance norms are required to be complied with. Restrictions on transactions involving Indian residents are applicable.



### Global Treasury Centre

Global Treasury Centres may undertake group-focused treasury activities including capital raising, borrowing, investing, liquidity management and acting as holding company. Services can be provided only to eligible group entities.



### Fund Management Entity

Entities may establish FME in IFSC to undertake fund management activities under various categories. Depending on the category, FME may launch venture capital, restricted or retail schemes, provide portfolio management services, and act as investment manager to REITs/InvITs. Prescribed net worth, investor eligibility and key managerial personnel requirements are to be complied with.



### Capital Market Intermediaries

CMI includes Broker Dealer, Investment Advisor, Credit Rating Agency, ESG Ratings and Data Products Providers, Investment Banker, Research Entities, Debenture Trustee, Distributor, Custodian, Clearing Member and Depository Participant. Under Broker Dealer category, it can buy and sell securities for its own account or on behalf of clients. After obtaining permission to be a Global Access Provider and subject to the specified conditions, a Broker Dealer may also provide access to the global markets to its clients through an arrangement with foreign brokers.



## Banking and Insurance



### Banking

An Indian or foreign bank (with the approval of home-regulator) may set up a Banking Unit or Banking Company in IFSC. The IFSC Banking Units may undertake commercial, retail and capital market activities including deposit acceptance, lending, derivatives, custodial services, investment banking and forex transactions. IFSC Banking Units to comply with applicable prudential and liquidity norms as specified by the Authority.



### Insurance

IRDAI-registered insurers, foreign insurers/reinsurers, Lloyd's entities, Indian public companies / WOS of insurers in India, insurance co-operatives, foreign body corporates (except private company) and managing general agents may set up an Unit in IFSC. They may undertake life, general, health and reinsurance business, subject to restrictions on DTA operations and home-regulator approval for setting up branch. Units to comply with prescribed solvency requirements.



### Insurance Intermediaries Office

Insurance Intermediaries include Insurance Brokers, Corporate Agents, Surveyors and Loss Assessors and Third-Party Administrators. Units to operate within permitted scope of business (including restrictions on DTA business) and make sure that no more than 50% of annual remuneration is derived from single client.



## Corporate and Support Services



### Global In-house Centre

Financial Services Groups may establish GIC in IFSC, under captive, BoT, joint venture or hybrid models to centralise group support functions relating to financial products and services. Services are primarily provided to non-resident group entities, with limited services to resident group entities. Transfer of existing contracts from Indian group entities is not permitted.



### Book-keeping, Accounting, Taxation and Financial Crime Compliance Services

BATF Units may provide book-keeping, accounting, tax advisory, tax return filing, and financial crime compliance support services. Restrictions apply on business restructuring, workforce relocation, contract transfer, and asset transfer from Indian group entities.



### TechFin and Ancillary Services

TAS Providers may offer technology solutions and professional support services to the IFSC Units, non-residents and residents (for the limited purpose of office set-up in IFSC/overseas).



## Technology, Innovation, and Education



### Fintech

FinTech Units may operate through Direct Authorisation for ready solutions or Sandbox route to test innovative ideas in controlled environment. Eligible applicants should use technology in their core product or service, have a deployable solution with specified revenue track record. It may access regulatory, innovation, interoperable, or overseas referral sandboxes.



### Payment Service Providers

PSP may undertake account issuance, e-money issuance, escrow account, cross-border money transfers and merchant acquisition. Significant PSP based on transaction volumes are required to meet higher specified net worth requirement.



### Foreign University

Reputed foreign universities and educational institutions can establish campuses in the IFSC to offer approved academic and research programmes in disciplines such as Science, Technology, Engineering, Mathematics, Financial Management and Fintech, based on prescribed ranking or reputation criteria.



## Tax and Regulatory Incentives

- IFSC Units are treated as tax residents in India and benefit from a tax holiday for a period of 20 years, along with a reduced MAT/AMT rate, where applicable. Non-residents enjoy key incentives, including exemption on certain interest income and capital gains, and concessional taxation on dividends. The Income - tax Act, 2025 has introduced a concessional tax rate post-expiry of the tax holiday period.
- IFSC Units also benefit from GST and customs relief, including exemption/zero-rating on services received from or provided to other IFSC Units and offshore clients, and on transactions undertaken on IFSC exchanges. Imports for authorised operations are exempt from customs duty and IGST. Additional exemptions are available from excise duty and stamp duty on specified transactions.
- IFSC companies benefit from several corporate law relaxations aimed at enhancing operational flexibility and ease of doing business. These include simplified governance requirements, flexibility in conducting board and shareholder meetings, and exemptions from certain structural and compliance provisions under the Companies Act, 2013. Additional relaxations are available for unlisted public companies established in the IFSC.
- Under India's foreign exchange regulations, IFSC Units are treated as non-residents, irrespective of their status under Indian Income-tax Law or the Corporate Law. Transactions between IFSC Units and non-residents are outside the scope of foreign exchange regulations, while transactions of IFSC Unit with Indian residents remain regulated. Indian entities and resident individuals are permitted to invest in IFSC Units, subject to prescribed conditions and applicable limits.



## Gujarat State Incentives

---

The Government of Gujarat has introduced the *GCC Policy 2025–30* and the *Gujarat IT/ITeS Policy 2022–27* to promote investment and high-skilled employment in technology and financial services. Eligible Units can avail capital and operational expenditure subsidies based on prescribed thresholds and policy conditions.

## Establishing Presence in IFSC – Process Overview

---

Establishing operations in the IFSC involves aligning the proposed business with the applicable regulatory framework, securing office space, and applying for unified approvals through the Authority's Single Window system. This process covers in-principle approval, required registrations and documentation, and operational set-up. Upon receipt of final approval, the IFSC Unit may commence its business activities.





# Introduction to IFSC

## Emergence of GIFT City

---

GIFT City is conceived as India's global financial hub. Strategically located on the banks of the Sabarmati River between Ahmedabad and Gandhinagar, GIFT City has been developed as India's first smart city and an integrated hub for international financial services and technology.

The Government of Gujarat, established Gujarat International Finance Tec-City Company Limited to develop GIFT City. GIFT City addresses India's need for a globally competitive financial centre and aims to stem the outflow of capital and financial activities that traditionally gravitated to other international centres.



# GIFT City – Dual-Zone Structure<sup>1</sup>

GIFT City is an integrated development spread over ~886 acres of land. It is divided into two distinct zones catering to different business needs.

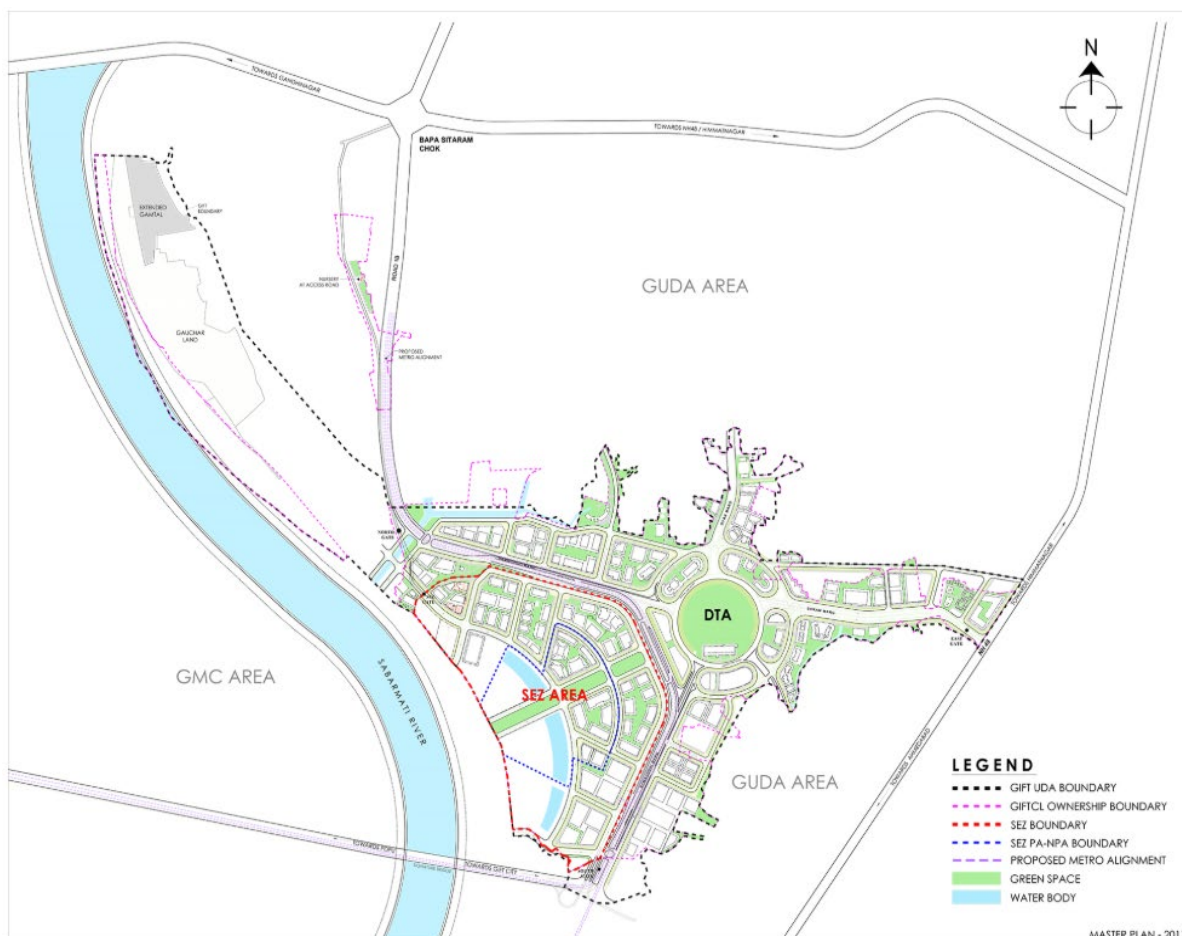
## Domestic Tariff Area

About 625 acres fall under the DTA, which operates under India's domestic regulatory and tax framework and caters to Indian businesses.

## Multiservice Special Economic Zone

Around 261 acres have been notified as Multiservice SEZ, housing the IFSC and IT/ITeS companies - with the IFSC operating under a specialised financial regulatory framework for international financial services, and IT/ITeS Units governed under the applicable SEZ policy framework.

This dual structure allows GIFT City to serve a broad spectrum of both domestic and international businesses while offering focused advantages to global financial institutions.

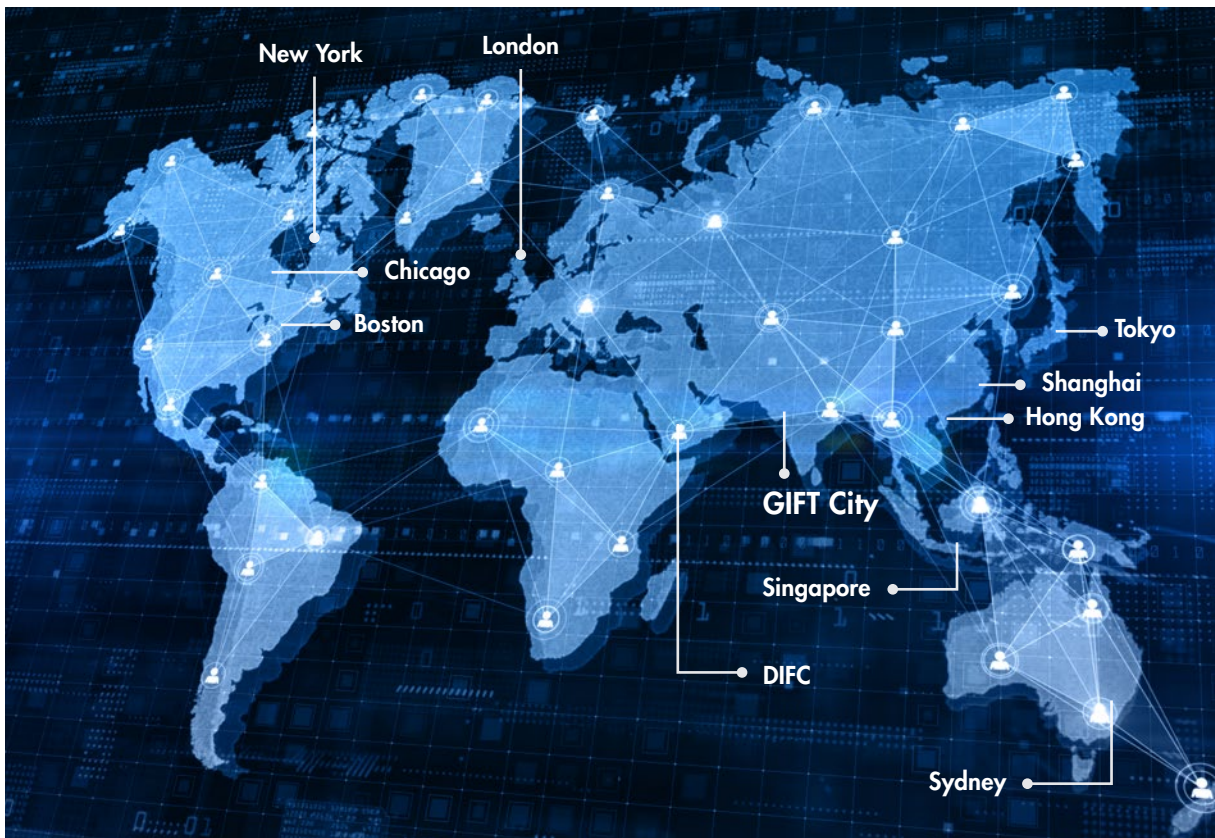


1. <https://api.giftgujarat.in/public/tool-guides-for-setting/GiftCityBrochure.pdf>

## IFSC - Role and Vision<sup>2</sup>

At the core of GIFT City is the IFSC, a notified SEZ, created as a specialised jurisdiction for carrying out financial services in foreign currency. It is designed to carry out business activities within a regulated international financial environment, with participation governed by regulatory framework. The IFSC enables banks, funds, insurers, capital market institutions and aircraft / ship lessors, both global and Indian, to conduct international financial business from India in line with global practices.

The IFSC is designed to attract international capital, encourage financial innovation, and give Indian businesses direct access to global markets, expertise, and funding channels. As emphasized by Prime Minister Narendra Modi, the IFSC at GIFT City is envisioned as India's gateway to global finance, reflecting the country's ambition to become a significant player in the international financial system.



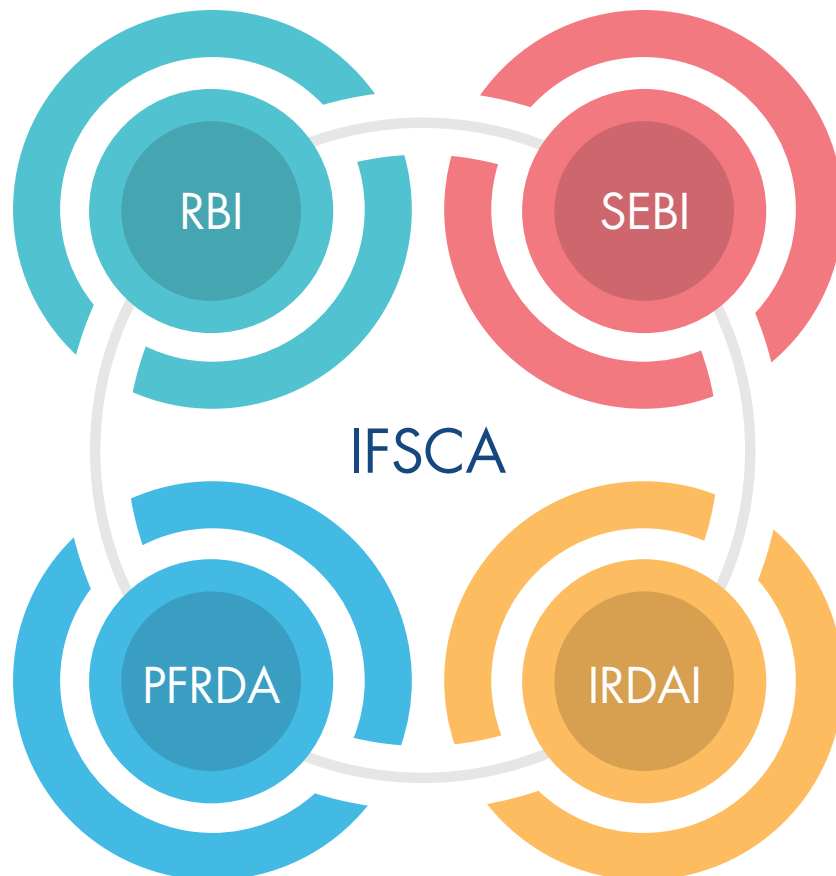
2. <https://timesofindia.indiatimes.com/city/ahmedabad/gift-city-not-merely-a-premise-it-represents-promise-of-india/articleshow/88080025.cms>

## IFSCA – Unified Regulatory Authority

---

To regulate this specialised financial zone, the IFSCA was established under the International Financial Services Centres Authority Act, 2019, and became operational in 2020, with its headquarters at Gandhinagar, Gujarat.

The Authority functions as a unified regulator, bringing together powers that were earlier exercised by multiple sectoral regulators such as the RBI, SEBI, IRDAI and PFRDA.



This integrated regulatory structure streamlines approvals, reduces regulatory overlap, and provides greater clarity to Units operating in the IFSC. The Authority oversees the authorisation of Units, creation of a supportive regulatory environment, and the development and promotion of financial products and services in the IFSC.

---

## Why Choose IFSC?

IFSC has been designed as a globally competitive financial hub that combines regulatory ease, fiscal incentives, and modern infrastructure, positioning it as a preferred destination for international and domestic financial institutions.

### Single Regulatory Authority

The Authority acts as a unified regulator, reducing regulatory overlap and simplifying compliance. This ensures faster approvals and enhance ease of doing business.

### Tax Regime in IFSC

IFSC Units enjoy significant direct and indirect tax benefits including income tax holidays and certain exemptions therein, and GST-related concessions as well. These incentives enhance the commercial viability of establishing operations within the IFSC.

### Residential Status under Foreign Exchange Regulations

IFSC Units are treated as non-residents under Foreign Exchange Regulations. This allows greater flexibility in foreign currency dealings and overseas investments and other cross-border transactions.

### Unified Platform for Application

The SWIT provides a centralized digital platform for applications and approvals, streamlining regulatory processes and reducing procedural delays. This facilitates efficient commencement and continuity of business operations in the IFSC.

### State-of-the-Art Infrastructure

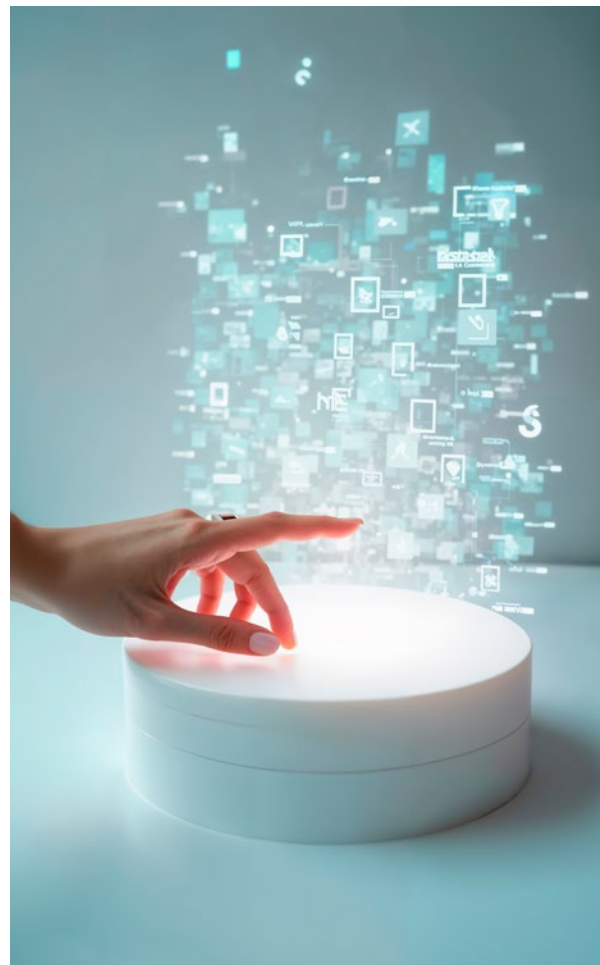
IFSC features a modern, high-rise business district with well-equipped office spaces and strong digital infrastructure. Utilities such as district cooling, automated waste management, and high-speed telecom make sure that businesses operate in a technologically advanced and efficient environment.

### Incentives by the Government of Gujarat

Gujarat's IT/ITeS and GCC policies extend to IFSC, along with the FinTech Incentive Scheme introduced by the Authority. Additional benefits include exemption from stamp duty and registration charges, power tariff subsidies and employee training and development costs significantly lowering setup and operating costs.

### Availability of Talent Pool

IFSC draws talent from nearby cities and neighbouring states, supported by strong networks of universities and professional institutions. This ensures steady access to skilled professionals.





# Regulatory Framework

## Overview

---

IFSC permits a wide range of financial and allied activities, each governed by a distinct regulatory framework. Given the breadth of activities, this handbook adopts a structured approach to analysing the regulatory framework applicable to each sector, focusing on both legal and operational aspects.



## Common IFSC Regulatory Requirements

IFSC Units are governed by specific regulations applicable to their registration and permitted activities. While sector-specific requirements apply, certain regulatory obligations are common across IFSC Units, including the following:

- Appointment of a Principal Officer responsible for overall operations and a Compliance Officer to oversee regulatory compliance and engagement with the Authority.
- Maintenance of functional office premises, appropriate infrastructure, and a workforce commensurate with the scale and nature of the business.
- Compliance with anti-money laundering, risk management, and periodic regulatory reporting requirements.
- Meeting the 'fit and proper' criteria by key managerial personnel and significant owners, including standards relating to integrity, financial soundness, and competence.
- Requirement to obtain prior approval from the Authority for specified structural changes, such as changes in ownership or control.
- Conduct of business transactions and maintenance of financial statements generally in freely convertible foreign currency or other permitted currency, with the use of Indian Rupees typically restricted to administrative and statutory expenses.
- Adherence to information technology and cybersecurity standards, including incident reporting and business continuity arrangements.



## Business Specific IFSC Regulatory Requirements

Following the discussion on common regulatory requirements, the sections below provide sector-specific regulatory frameworks applicable to different permissible businesses in IFSC. Each sector is governed by dedicated regulations notified by the Authority, reflecting the nature, scope of activities permitted and operational requirements.

The specific regulatory requirements for each permissible business are analysed under the following standardised headings:

1. **Introduction:** A brief overview of the sector and its relevance within IFSC ecosystem.
2. **Permissible Activities:** Activities and services permitted under the applicable regulatory framework.

3. **Key IFSC Regulatory Requirements:** Eligibility criteria and other operational requirements.

4. **Tax Incentives:** Overview of applicable general and specific direct and indirect tax incentives.

5. **Key Statistics:** Indicates the number of registered Units in IFSC and business transacted therein.

The above approach is intended to provide various stakeholders and the readers with a high-level guidance to explore opportunities available in IFSC and effectively navigate the regulatory landscape.

The permissible business in IFSC is categorised as under:



### Financial Services

- Finance Companies
- Aircraft Leasing
- Ship Leasing
- Global Treasury Centre
- Fund Management Entity
- Capital Market Intermediaries



### Banking and Insurance

- Banking
- Insurance
- Insurance Intermediaries Office



### Corporate and Support Services

- Global In-house Centre
- Book-keeping, Accounting, Taxation and Financial Crime Compliance Services
- TechFin and Ancillary Services



### Technology, Innovation, and Education

- FinTech
- Payment Service Provider
- Foreign Universities



Financial Services

# Finance Companies<sup>3</sup>

## Background

- Across global financial centres, non-bank financial entities play a pivotal role by offering specialised lending, investment, leasing (including aircraft and ships), and treasury services that complement traditional banking.
- In IFSC, such businesses may operate as Finance Companies (FC) – a separate legal entity or Finance Units (FU) – set up as a branch of regulated institutions. They are required to comply with applicable prudential norms and are prohibited from accepting public deposits or registering as Banking Units in IFSC.

## Permissible Activities

### Core Activities

- Lend in the form of loans, commitments and guarantees, securitisation, financial lease, and sale and purchase of portfolios
- Factoring and forfaiting of receivables
- Undertake investments, including subscribing, acquiring, holding, or transferring securities or such other instruments, as permitted by the Authority
- Buy or Sell derivatives
- Global/Regional Corporate Treasury Centre (separately discussed)

### Non-Core Activities

- Merchant Banking, Authorised Person services, Registrar and Share Transfer Agent, Trusteeship services, Investment Advisory services, and Portfolio Management services
- Leasing services, including operating / finance lease of aircraft, ships, and other equipment as permitted by the Authority (separately discussed)
- International trade financing services platforms

- Function as trading members, clearing members, or professional clearing members of IFSC exchanges and clearing corporations
- Distribution of financial products
- Asset management support services
- Facilitators of permissible activities

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: FC must be set up as company; LLP and trust structure permitted for non-core activities only. FU to set up as branch of an incorporated entity.
- Minimum owned funds: USD 3 Mn for core activities and USD 0.2 Mn for non-core activities or such higher amount as prescribed by the Authority.
- Prudential Norms: Minimum capital adequacy ratio of 8%. Exposure ceiling of 25% to a single counterparty or group. Liquidity coverage ratio of minimum 100% to be maintained on a standalone basis.

### Operational Requirements

- Comply with the Authority-prescribed governance and disclosure norms, including a Board-approved governance framework, ensuring Board members meet 'fit and proper' criteria, appointing a compliance officer, and adhering to transparency and reporting requirements.
- FC / FU undertaking non-core activities: Investment activities allowed for liquidity and balance sheet management. Derivatives transactions permitted only for hedging underlying exposures.
- Speculative transactions are not permitted.
- If one or more non-core activities are carried out, segregate it by department, maintain firewalls to prevent conflicts. Board-approved grievance and compensation policies to be maintained.

3. IFSCA (Finance Company) Regulations, 2021

## Tax Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

## Key Statistics<sup>4</sup>

### Number of registered IFSC Units

- Core Activities: 12 (including Global Treasury Centres)
- Non-Core Activities: 1

## Business transacted by Core Finance Companies

- Loans and advances: USD 33.72 Mn
- Total investments: USD 80.97 Mn



4. IFSCA Bulletin Oct-Dec 2025

# Aircraft Leasing<sup>5</sup>

## Background

- Aircraft leasing is a key pillar of global aviation finance, enabling efficient fleet expansion with lower capital intensity. To support this, the Authority has permitted leasing of aircraft to be undertaken from IFSC through registered Finance Companies or Finance Units.

## Permissible Activities

### Non-Core Activities

- Operating Lease of the specified assets viz. aircraft (including helicopter, engines of aircraft or helicopter or any other parts thereof), aircraft ground support equipment, and aviation training simulation device.
- Sale and leaseback, purchase, novation, transfer, assignment, and similar transactions in relation to the permitted leasing activities.
- Asset management and support services of assets owned or leased by the entity or by any of its group entities set up in IFSC.
- Any other related activity with prior approval of the Authority.

### Core Activities

- Any of the activities permissible under Non-Core Activities specified above.
- Finance Lease or Hybrid of Finance and Operating Lease of the aforesaid specified assets.
- Other related activity with prior approval of the Authority.

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: Company / Branch. LLP / Trust are also permitted for non-core activities.
- Minimum owned funds: USD 0.2 Mn for Non-core activities and USD 3 Mn for Core activities or such higher amount as prescribed by the Authority.

- Service Recipients: Non-residents only or non-residents and residents both.
- Restrictions on transactions with Indian residents: An IFSC Unit cannot buy or lease aforesaid specified assets from Indian residents if those assets will subsequently be used only for Indian residents. However, this restriction does not apply if the asset is:
  - bought from a non-group entity, or
  - bought from an Indian manufacturer, or
  - part of a sale-and-leaseback deal where the asset is imported into India for the first time.

## Operational Requirements

- Prudential Norms: An IFSC Unit engaged only in non-core activities is exempt from applicable prudential norms<sup>6</sup>, corporate governance and disclosure requirements – subject to having Board-approved prudential policy and satisfying 'fit and proper' criteria prescribed by the Authority. IFSC Units undertaking core activities (with or without non-core activities) are required to comply with such requirements.
- Sharing of office and/or manpower of group entity in IFSC is permitted subject to prior approval of the Authority.
- Applicable provisions of the Aircraft Act, 1934 are required to be complied with.
- Applicable operational requirements, as outlined in the section titled 'Finance Companies' to be complied with.

## Tax Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

5. Framework for Aircraft Leasing

6. For detailed prudential norms, refer section 'Finance Companies'.

### Specific Income-tax Incentives

- Capital gains arising on disposal of an aircraft during the tax holiday period are also eligible for tax holiday benefits, if the IFSC Unit commenced operations before March 31, 2030.
- Capital gains arising from transfer of equity shares of the IFSC Unit engaged in aircraft leasing is exempt from tax, subject to the specified conditions, for a shareholder being a non-resident or another IFSC Unit engaged in aircraft leasing.
- No withholding tax on lease rental paid by a lessee (from India) to an IFSC Unit (Lessor) for the lease of an aircraft during the tax holiday period, subject to the specified conditions.
- Interest / Royalty received by non-resident from leasing an aircraft to an IFSC Unit is exempt from tax in India, if such IFSC Unit has commenced its operations before March 31, 2030.
- No withholding tax on the payment of interest / royalty on account of lease to non-resident by an IFSC Unit.
- Dividend income received by an IFSC Unit from another IFSC Unit (both primarily engaged in aircraft leasing) is exempt from income-tax.

### Specific Indirect Taxes Incentives

- Leasing of aircraft by the IFSC Unit to an Indian aircraft company is subject to IGST under forward charge at applicable rates.

- No GST on procurement (purchase or lease) of aircraft from DTA.
- No GST on export of aircraft on lease or outright basis to another IFSC Unit or overseas recipient.
- Import of aircraft into IFSC is not subject to basic custom duty, subject to conditions.
- Import of specified aircraft on lease or outright basis (Upto 31 March 2028) by an Indian operator from an Indian lessor located in the IFSC is not subject to basic custom duty.
- No stamp duty is leviable on certain transactions for 10 years commencing from August 2020.

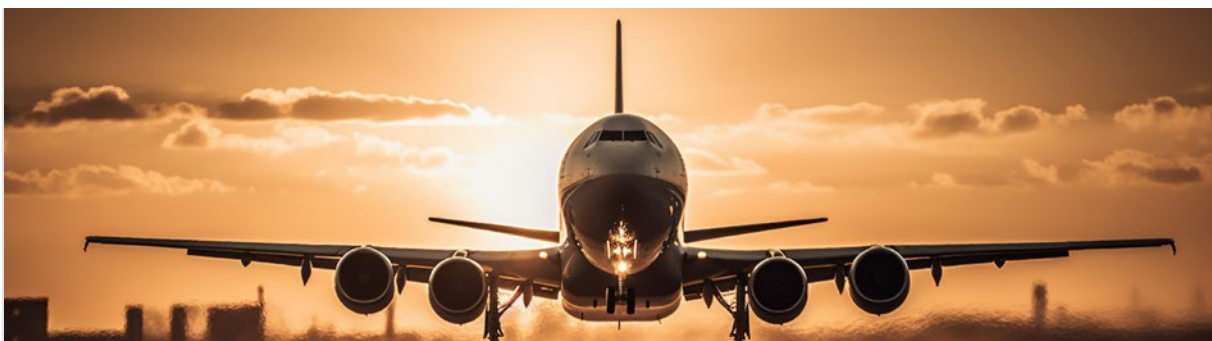
### Key Statistics<sup>7</sup>

#### Number of registered IFSC Units

- Final Registrations: 34
- Registrations including in-principle/ provisional registrations: 38

#### Business transacted

- Total aircraft / engines / aircraft auxiliary power Units leased: 370
- Total financing received from banking Units in IFSC: USD 614.85 Mn



7. IFSCA Bulletin Oct-Dec 2025

## Ship Leasing<sup>8</sup>

### Background

- Ship leasing is integral to global maritime finance, supporting capital-intensive, cross-border shipping operations. To onshore such activities, the Authority has permitted leasing of ship from IFSC through registered Finance Companies or Finance Units.

### Permissible Activities

#### Non-Core Activities

- Operating lease of the specified assets viz. ship (including ocean vessel, engines of ship or ocean vessel or any other parts thereof), Voyage charters, Contract of affreightments, Employment in shipping pools and all other legal commercial transactions for employment of ships.
- Sale and lease back, purchase, novation, transfer, assignment, and such other similar transaction relating to ship lease.
- Asset management support services for assets owned or leased out by lessor or by any of its group entities set up in the IFSC.
- Any other related activity with prior approval of the Authority.

#### Core Activities

- Any of the activities permissible non-core activities specified above.
- Financial lease of hybrid of financial and operating lease of the aforesaid specified assets.
- Any other related activity with prior approval of the Authority.

### Key IFSC Regulatory Requirements

#### Eligibility Criteria

- Legal Form: Company / Branch. LLP / Trust are also permitted for non-core activities

- Minimum owned funds: USD 0.2 Mn for Non-Core activities and USD 3 Mn for Core activities or such higher amount as prescribed by the Authority.
- Service Recipients: Non-residents only or non-residents and residents both.
- Permissible Transactions:
  - Indian entities expanding globally or bidding for foreign contracts can undertake ship leasing through the IFSC.
  - IFSC Units can lease or own ships acquired from non-residents to serve Indian clients.
- Restricted Transactions:
  - Transfer / lease of ships from Indian resident entities to IFSC Units for serving Indian residents is not permitted, except for ships newly acquired from Indian shipyard.
  - Shifting existing business or contracts to IFSC Unit is not permitted.

#### Operational Requirements

- Prudential Norms: An IFSC Unit engaged only in non-core activities is exempt from applicable prudential norms<sup>9</sup>, corporate governance and disclosure requirements – subject to having Board-approved prudential policy and satisfying 'fit and proper' criteria prescribed by the Authority. IFSC Units undertaking core activities (with or without non-core activities) are required to comply with such requirements.
- Sharing of office and /or manpower of group entity in IFSC is permitted subject to prior approval of the Authority.
- Applicable provisions of the Merchant Shipping Act, 1958 are required to be complied with.
- Applicable operational requirements, as outlined in the section titled 'Finance Company', are also required to be complied with.

8. Framework for Ship Leasing

9. For detailed prudential norms, refer section 'Finance Companies'

## Tax Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

### Specific Income-tax Incentives

- Capital gains arising on disposal of a ship during the tax holiday period are also eligible for tax holiday benefits, if the IFSC Unit commenced operations before March 31, 2030.
- Capital gains arising from transfer of equity shares of the IFSC Unit engaged in ship leasing is exempt from tax, subject to the specified conditions, for a shareholder being a non-resident or another IFSC Unit engaged in ship leasing.
- No withholding tax on lease rental paid by a lessee (from India) to an IFSC Unit (Lessor) for the lease of ship during the tax holiday period subject to the specified conditions.
- Interest / Royalty received by non-resident from leasing of ship to an IFSC Unit is exempt from tax in India, if such IFSC Unit has commenced its operations before March 31, 2030.
- No withholding tax on the payment of interest / royalty on account of lease to non-resident by an IFSC Unit.
- Dividend income received by an IFSC Unit from another IFSC Unit (both primarily engaged in ship leasing) is exempt from income-tax.
- Tonnage tax scheme under the domestic tax law may be opted for post-tax holiday period.

### Specific Indirect Taxes Incentives

- Leasing of ship /ocean vessel by the IFSC Unit to an Indian shipping company is subject to IGST under forward charge at the rate of 5% (subject to applicable conditions).
- No GST on procurement (purchase or lease) of ship from DTA.

- No GST on export of ship on lease or outright basis to another IFSC Unit or overseas recipient.
- The import of a ship /ocean vessel into the IFSC is not subject to basic custom duty, subject to conditions.
- Import of a ship /ocean vessel on lease or an outright basis by an Indian operator from an Indian lessor located in the IFSC is not subject to basic custom duty.
- No stamp duty is leviable on certain transactions for 5 years commencing from December 2021.

## Key Statistics<sup>10</sup>

### Number of registered IFSC Units

- Final Registrations: 29
- Registrations including in-principal / provisional registrations: 36

### Business transacted

- Total Ships leased: 34
- Total Financing Received from banking Units in IFSC: USD 71.10 Mn



10. IFSCA Bulletin Oct-Dec 2025

# Global Treasury Centre<sup>11</sup>

## Background

- Globally, multinational groups are centralising treasury and financial management functions to optimise liquidity, manage financial risks, and support cross-border group operations. In this context, the Authority enables eligible entities to establish Global or Regional Corporate Treasury Centres as the Units in IFSC, allowing group-focused financial activities within a regulated framework supported by defined governance and operational safeguards.

## Permissible Activities

### Capital and Fund Raising

- Raising capital by issue of equity shares
- Borrowing including inter-company deposits and credit arrangements

### Treasury Market Operations

- Investing or transacting in financial instruments issued in or outside IFSC
- Undertaking derivative transactions (OTC and Exchange traded)
- Foreign exchange transactions (currencies as specified by the Authority)
- Liquidity management
- Maintaining financial counterparty relationships

### Financial Advisory Services

- Advisory services in connection with the above activities related to financial management including financial risk management

### Other Services

- Acting as a holding company
- Acting as a Re-invoicing centre
- Credit arrangements

- Factoring and Forfaiting
- Managing insurance/pension obligations

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: Company or Branch thereof
- Minimum net owned funds: USD 0.2 Mn
- Service Recipients: Group entities of the IFSC Unit and its parent, including their respective branches. All service recipients are required to be registered in their home jurisdiction, and an updated record of all recipients needs to be maintained by the IFSC Unit.

### Operational Requirements

- Maintain adequate infrastructure and minimum five qualified personnel, based in the IFSC, including the Head of Treasury and Compliance Officer, prior to commencement of operations.
  - One-time relaxation of up to one year from this requirement may be granted by the IFSCA Chairperson, upon request, based on proposed treasury activities and expected business volumes.

### Other conditions:

- Commence operations within six months from the date of registration.
- Must not be refused authorization by the Authority in the preceding one year.
- Comply with the prescribed governance and disclosure norms, including Board-approved governance framework and ensuring Board members of Unit meet 'fit and proper' criteria.
- Exemption from prudential norms<sup>12</sup> can be availed, subject to maintenance of a Board-approved prudential policy and compliance with fit and proper criteria prescribed by the Authority.

11. Framework for FC/FU undertaking activity of Global/ Regional Corporate Treasury Centre

12. For detailed prudential norms, refer section 'Finance Companies.'

## Tax Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

### Specific Income-tax Incentives

- Loan between group entities involving IFSC based FC / FU and functioning as a global or regional treasury centre, is excluded from the purview of 'deemed dividend' if:
  - Group's Parent or Principal entity is listed on the stock exchange outside India in a specified jurisdiction (to be notified); and

- the Other Group Entity involved in the transaction is situated in a specified jurisdiction (to be notified).
- No thin capitalization implications on interest paid to associated enterprise viz. no cap on interest deduction of 30% on EBITDA.

## Key Statistics

**Number of registered IFSC Units:** 12 (including other Core Finance Companies)

### Business transacted<sup>13</sup>

- Loans and Advances: USD 4028.29 Mn
- Total Investments: USD 234.45 Mn



13. IFSCA Bulletin Oct-Dec 2025

## Fund Management Entity<sup>14</sup>

### Background

The evolution of professionally managed investment vehicles has transformed the organisation of fund management activities across global financial centres. Accordingly, the Authority has introduced a dedicated regulatory framework for Fund Management Entities within GIFT IFSC, enabling fund managers to operate from a unified and internationally aligned regime. The framework adopts a manager-centric approach, placing regulatory oversight at the level of the FME rather than individual fund vehicles.

The regime accommodates diverse funds structure including:

- Inbound Funds which deploy offshore capital into Indian markets and opportunities.
- Outbound Funds which facilitate overseas investments by Indian investors in accordance with the LRS and Foreign Exchange framework.
- Master-Feeder Fund structures (Inbound Funds and Outbound Funds both) which pool capital from investors (a Feeder Fund set up in GIFT IFSC) and channel it into Master Funds (which is set up either Overseas or in India) for efficient capital aggregation.

### Key IFSC Regulatory Requirements

#### Meaning of FME and Fund Manager

FME refers to an entity registered with the Authority as any of the following categories, each with its own set of permissible activities and regulatory requirements. Further, a fund manager is any individual appointed by the FME to manage its investments.

### Categories of FMEs

Parameters	Authorised FME	Registered FME (Non-Retail)	Registered FME (Retail)
<b>Investor Base</b>	Accredited investors or Specified Investors <sup>15</sup>	Accredited investors or Specified Investors	All investors
<b>Permissible Activities</b>	<ul style="list-style-type: none"> <li>• Invests in start-ups or early-stage ventures through VC Schemes</li> <li>• If established by a Single Family, it manages Family Investment Fund for investments</li> </ul>	<ul style="list-style-type: none"> <li>• Investments via restricted schemes</li> <li>• Portfolio Management Services</li> <li>• Investment manager for privately placed REIT/ InvIT</li> <li>• All activities of Authorised FMEs</li> </ul>	<ul style="list-style-type: none"> <li>• Investments via retail schemes</li> <li>• Launch of ETFs</li> <li>• Investment manager for publicly offered REIT/ InvIT</li> <li>• All activities of Authorised and Non-Retail FMEs</li> </ul>
<b>Legal Form</b>	Company, LLP, or Branch thereof		Company or its Branch
<b>Net Worth</b>	USD 75,000	USD 0.5 Mn	USD 1 Mn
<b>Key Investment Team</b>	One Principal Officer	One Principal Officer; and One Compliance Officer	One Principal Officer; One Compliance Officer; and One additional KMP
1 additional KMP (assigned with the responsibility of fund management) needs to be appointed where AUM exceeds USD 1 Bn			

14. IFSCA (Fund Management Entity) Regulations, 2025

15. Specified Investors means those who invest above the specified threshold via private placement

### Fund Management Schemes

The categories of FMEs determine the types of fund management schemes that are permitted to be launched and managed under the FME framework.

Parameters	Venture Capital Schemes	Restricted Schemes (Non-Retail)	Retail Schemes
<b>Eligible FME</b>	Any FME	Registered FME	Registered FME (Retail)
<b>Legal Structure</b>	Company, LLP, or Trust	Company or Trust	
<b>Investor Base</b>	Accredited investors or investors committing at least USD 0.25 Mn.	Accredited investors or investors committing at least USD 0.15Mn (subject to 1000 investors).	All investors or specified categories of investors (no ceiling on number of investors).
<b>Investment Strategy</b>	Invest in start-ups and early-stage, innovation-led companies; includes angel funds	Investments strategies permitted under following categories: <ul style="list-style-type: none"> <li>• Cat-I AIF: Start-ups, early-stage, infrastructure, social/ ESG sectors</li> <li>• Cat-II AIF: Investments which do not fall under Category I or III AIF</li> <li>• Cat-III AIF: Complex trading strategies, including derivatives, Investment in listed companies</li> </ul>	Can pursue diverse strategies including social, infrastructure and ESG themes, sectoral/thematic approaches, asset-class based investments, and solution-oriented schemes (e.g., retirement, education)
<b>Investment Concentration</b>	Minimum 80% of corpus to be invested in: <ul style="list-style-type: none"> <li>– Investee companies with age ≤ 10 years; or</li> <li>– Other schemes that meet the above criteria</li> </ul>	Open Ended – Maximum 25% of corpus in unlisted securities	<p><b>Unlisted securities:</b> Open Ended – Maximum 15% of AUM Open Ended – Maximum 50%</p> <p><b>Single Company:</b> Maximum 10% of AUM, subject to certain exceptions</p> <p><b>Single Sector:</b> Maximum 25% of its AUM, subject to certain exceptions</p>
<b>Scheme Structure</b>	Close-ended only	Open-ended or close-ended	
<b>Minimum Tenure</b>	3 years	1 year (close-ended only)	3 years (close-ended only)

Parameters	Venture Capital Schemes	Restricted Schemes (Non-Retail)	Retail Schemes
<b>Corpus</b>	Min: USD 3 Mn Max: USD 200 Mn	Min: USD 3 Mn Max: NA	
<b>Minimum FME Contribution</b>	2.5% of targeted corpus (If corpus $\leq$ USD 30 Mn);  USD 750,000 (If corpus > USD 30 Mn)  Maximum in both the above cases: 10% of targeted corpus, subject to relaxations in specified cases	<b>I. Close-ended Scheme:</b> Same as Venture Capital Scheme  <b>II. Open-ended Scheme:</b> <ul style="list-style-type: none"> <li>• 5% of targeted corpus (If corpus <math>\leq</math> USD 30 Mn);</li> <li>• USD 1.5 Mn (If corpus &gt; USD 30 Mn)</li> <li>• Maximum in both the above cases: 10% of targeted corpus, subject to relaxations in specified cases</li> </ul>	1% of AUM or USD 2 Mn, whichever is lower
<b>Investment in physical assets</b>	Not permitted	Up to 20% (close-ended only)	Not permitted



### Other Investment Funds

#### **Special Situation Fund**

- It invests in special situation assets, including stressed or distressed assets such as defaulted loans, securities of financially stressed companies and assets undergoing insolvency or restructuring.
- It must be structured as a close-ended fund with a minimum tenure of 3 years and launched through a Placement Memorandum filed with the Authority.
- Such funds can be launched by Registered FME.

#### **Exchange Traded Fund**

- An investment fund whose Units are listed and traded on a stock exchange, with prices broadly reflecting its NAV.
- It follows passive investment approach to track an index or asset class, including equity, debt, commodity, hybrid or actively managed ETFs.
- It can be launched by Registered FME (Retail).

#### **Third Party Fund Management Services (also known as 'Platform Play')**

- This framework allows Registered FMEs to launch funds that would be managed by Third-Party Fund Managers (a regulated or registered entities by the relevant FS regulator in its home country for fund management or similar activities), without the need to establish its own fund management entity in GIFT IFSC.
- Registered FMEs are responsible for obtaining regulatory approvals and ensuring compliance, while the Third-party fund manager manages the fund, including formulating the investment strategy, engaging with investors, and making portfolio investment and exit decisions. Registered FME may also set up schemes/ provide services as per the category of its registration in addition to Platform Play.
- Key regulatory requirements are:
  - Legal Form: Company or LLP
  - Obtain prior authorization from IFSCA

- Maintain additional net worth of USD 0.5 Mn
- Allowed to launch only restricted scheme (non-retail) with maximum corpus of USD 50 Mn.

#### **Family Investment Fund**

- A self-managed fund that pools money from a single family (widely defined to include group of individuals belonging to the family and various types of entities owned and controlled by them), through one or more investment vehicles, for the purpose of managing family wealth by undertaking permitted investment activities.
- It can be in the form of Category I, II or III AIF, depending on investment strategy.
- Key regulatory requirements:
  - Legal Form - Company, Contributory Trust or LLP
  - Category - Authorised FME
  - Minimum Investments - USD 10 Mn (to be met within 3 years of registration)

#### **Other Services**

- **Portfolio Management Services**
  - Registered FME may provide such services to persons resident outside India, non-resident Indians, non-individuals, and eligible Indian residents as permitted under FEMA.
  - Client funds and securities are required to be managed in accordance with the terms of the portfolio management agreement.
- **Investment Trust**
  - Investment trust refers to REIT or an InvIT, as the case may be.
  - Any person, whether based in India, IFSC or overseas, seeking to operate an Investment Trust in IFSC must register with the Authority.
  - Investment Trust may raise funds through public issue or private placement, with Units either listed on the stock exchange or remain unlisted.
- **Listing of Schemes on IFSC Stock Exchanges**
  - Open-ended schemes – Can be listed by FMEs at their discretion.

- Close-ended schemes – Can be listed by FMEs at their discretion. However, close-ended retail scheme wherein minimum amount of investment by an investor is less than USD 10,000 is required to be listed on at least one of the IFSC stock exchanges.
- ETF – Mandatorily required to be listed on at least one of the IFSC stock exchanges.
- Investment Trust – To be listed within prescribed timelines (except for private placement wherein the Units are neither listed nor proposed to be listed).

#### Tax Incentives

##### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

##### Specific Income-tax Incentives

- *Cat-I and Cat-II AIFs*
  - Category I and II AIFs are granted pass-through status from an income-tax perspective, whereby any income earned by these AIFs (other than profits or gains from business) is not taxed at the AIF level but directly taxed as income in the hands of the investors as if these investors had directly received this income from the investments.
  - Non-resident investors are exempted from obtaining PAN and file income-tax return subject to fulfilment of certain conditions.
- *Cat-III AIF: Specified Fund in IFSC*

A Specified Fund (being a Cat-III AIF), a retail scheme or ETF established in GIFT IFSC wherein all Units (other than those held by the sponsor or manager) are owned by non-resident investors, is eligible for certain tax concessions under the Act. Such concessions apply only to income attributable to non-resident unitholders and includes the following:

  - Income from transfer of eligible securities such as bonds, Units of investment trust or ETFs and other notified securities (excluding shares of Indian resident companies) are exempt from tax;
  - Interest and dividend income earned from securities is taxable at a concessional rate of 10%;
  - Tax holiday is not available to the Specified Fund.
- *Non-resident unitholders of 'Specified Fund'*
  - Exemption with respect to the income received from such Units or on transfer of such Units;
  - Exempted from the requirement of: (a) obtaining Permanent Account Number, and (b) filing a tax return (where income is limited to investments in specified funds).
- *Relocation of 'Offshore Fund' to GIFT IFSC*
  - No tax on transfer of capital assets from the original fund (i.e. offshore fund) to the resultant fund (i.e. GIFT IFSC fund) in the relocation process;
  - Exemption from capital gains tax on the transfer of shares, Units or interests held by an investor in the original fund in consideration for shares, Units or interests in the resultant fund;
  - Capital gains earned by a non-resident or the resultant fund on a subsequent transfer of shares of an Indian company are tax-exempt if the exemption was available prior to the relocation.

##### Specific Indirect Tax Incentives

GST is not leviable on the management fee and other services provided by FME to the Fund.

**Key Statistics<sup>16</sup>****Number of registered IFSC Units**

- FMEs: 202
- Funds: 313
  - Retail Schemes: 9
  - Non-Retail Schemes: 304

**Business transacted**

- Retail Schemes
  - Investments into India: USD 2.53 Mn
  - Investments into Foreign Jurisdictions: USD 6.51 Mn
- Restricted Schemes (Non-Retail) (in USD Mn).  
The details are given in the table below:

Type of Schemes	No. of Schemes	Funds Raised	Investments Made	Investments in India	Investments in Foreign Jurisdictions
VC Schemes	17	97.66	84.83	48.17	20.73
Cat I and II AIFs	98	10,387.46	10,282.63	8,641.76	972.04
Cat III AIFs	189	6,861.93	7,553.25	5,217.53	682.15
<b>Total</b>	<b>304</b>	<b>17,347.05</b>	<b>17,920.72</b>	<b>13,907.46</b>	<b>1,674.92</b>



16. IFSCA Bulletin Oct-Dec 2025

# Capital Market Intermediaries<sup>17</sup>

## Background

IFSC is positioned to cater to growing cross-border capital requirements of India. To advance this objective, both the leading Indian stock exchanges have set up an international platform in IFSC - the NSE International Exchange, a WOS of National Stock Exchange, and India International Exchange (India INX), a subsidiary of BSE Limited - enabling access to global investors and fostering international capital flows into India.

## Permissible Activities

- Broker Dealer
- Investment Advisor
- Credit Rating Agency
- ESG Ratings and Data Products Providers
- Investment Banker
- Research Entities
- Debenture Trustee
- Distributor
- Custodian
- Clearing Member
- Depository Participant

## Key IFSC Regulatory Requirements

### Common Regulatory Requirements

- Legal Form: Company / LLP / Body Corporate / Branch.
- Unified Registration: An IFSC Unit desirous of undertaking multiple activities may obtain a unified registration for such multiple activities.
- Net worth Requirements: For Branch, minimum prescribed net worth to be maintained and earmarked at parent level. Units operating as CMI in multiple categories to meet highest applicable net worth requirement.

## Specific Regulatory Requirements

### I. Broker Dealer and Global Access

#### a. Broker Dealer<sup>18</sup>

- A person engaged in business of buying and selling securities or other permitted financial products for its own account or on behalf of its customers is eligible for registration under this category.
- Permissible Services: Undertake trade in capital markets of IFSC.
- Net worth requirement: USD 0.14 Mn.

#### b. Broker Dealer providing Global Access

- A Global Access Provider (GAP) refers to a subsidiary of IFSC Stock Exchange for providing access to global markets or a broker dealer providing access to global markets through arrangement with foreign brokers.
- Permissible Services: Cross-border business in capital markets in IFSC or Foreign Jurisdiction.
  - Permitted Products: Financial products listed on stock exchanges in Foreign Jurisdictions except crypto-asset, index / single stock / bond derivatives, INR pair currency contracts.
  - Permissible Clients: Person resident in India and person resident outside India.
- Net worth requirement:
  - For GAP: USD 500,000
  - For GAP accessing Global Markets only on proprietary basis: USD 200,000
  - For other Broker Dealers (which is not a GAP) and accessing Global Markets on proprietary basis through a GAP: 100,000

17. IFSCA (Capital Market Intermediaries) Regulations, 2025 and circulars issued thereunder

18. IFSCA has issued Consultation Paper on Master Circular for Broker Dealers and Clearing Members on 29 November 2025. The regulatory requirements outlined here are subject to change upon finalization and implementation of the updated circular.

### c. Remote Trading Partner

- A foreign entity not having presence in the IFSC intending to trade directly on Stock Exchanges in the IFSC on a proprietary basis without a Broker Dealer is eligible for registration under this category.
- Permissible Services: Trade only on a proprietary basis and transact only in cash-settled derivative products on the Stock Exchanges.

### II. Investment Advisor

- A person engaged in the business of providing investment advice to clients for consideration is eligible for registration under this category.
- Permissible Services: Investment advice to clients in IFSC, Foreign Jurisdictions, or India. For Indian clients, advice allowed only for investments in IFSC/ Foreign Jurisdictions as per FEMA.
  - Investment advice means advice on investing, purchasing, selling, or dealing in securities/ investment products, including portfolios and covers written, oral, or any form of communication, and includes financial planning.
- Net worth requirement: USD 25,000.

### III. Credit Rating Agency

- An entity engaged in assigning ratings to securities, financial products, issuers of such instruments, or sovereign entities (countries) is eligible under this category.
- Permissible Services:
  - Credit Ratings (of financial product or financial instrument in IFSC / foreign jurisdiction<sup>19</sup>), Sovereign Ratings, Valuation Services (Valuation of assets of funds set up in IFSC), Research, Rating Assessment, Monitoring Agency.
- Net worth requirement: USD 0.2 Mn.

### IV. ESG Ratings and Data Products Providers

- An entity engaged in providing services relating to ESG Rating or ESG Data Product is eligible for registration under this category.
- Permissible Services: Services relating to ESG Ratings and ESG Data Products in IFSC and foreign jurisdictions.
  - ESG Ratings includes the broad spectrum of rating products relating to sustainable finance and includes ESG scorings, ESG rankings, Sector ESG Ratings, and Thematic scores.
  - ESG Data Products includes products and services relating to ESG-related information provided by an ERDPP.
- Net worth requirement: USD 25,000.

### V. Investment Banker

- A person engaged in issue management activities, including making arrangements for selling, buying, subscribing to securities, or acting as advisor/ consultant or providing corporate advisory services in relation to such issue management is eligible for registration under this category.
- Permissible Activities: The following activities can be provided in IFSC and foreign jurisdictions:
  - Manage issues of securities and financial products, including buy-backs, delisting, open offers, underwriting, and private placements.
  - Advisory or consulting services related to above activities, including M&A, corporate restructuring, arranging finance, and debt syndication.
  - Act as arranger for debt listings and carry out other allied investment banking activities.
- Net worth requirement: USD 0.1 Mn.

19. Any country (other than India) whose securities market regulator is a signatory to IOSCO's Multilateral MoU or has a bilateral MoU with Authority, and which is not listed by FATF as: having AML/CFT deficiencies subject to counter measures; or not made sufficient progress or not committed to FATF action plan to address deficiencies.

**VI. Research Entities**

- A person responsible for publishing or providing research reports with respect to securities, and includes activities such as publication of research report, making 'buy/sell/hold' recommendations, giving price target etc. is eligible for registration under this category.
- Permissible Activities: Provide or publish research reports on securities. Research report on securities listed / proposed to be listed in India to be provided only to IFSC / foreign clients.
- Net worth requirement: USD 25,000.

**VII. Debenture Trustee**

- A trustee appointed in respect of any issue of debentures is eligible for registration under this category.
- Permissible activities: Trusteeship services for debenture issued in IFSC / Foreign Jurisdictions.
- Net worth requirement: USD 1.5 Mn.

**VIII. Distributor**

- A person who for fee/ commission engages with clients to facilitate investment/subscription in capital market products/services is eligible for registration under this category.
- Permissible Activities:
  - Distribute capital market products / services offered by entities set up in India, IFSC, or Foreign jurisdiction to any client or accredited investor in IFSC / foreign jurisdictions.
  - Distribute capital market products / services offered by entities set up in in IFSC or Foreign jurisdiction to any client or accredited investor in India.
- Net worth requirement: USD 50,000.

**IX. Custodian**

- A person who carries or proposes to carry business of providing custodial service is eligible for registration under this category.

- Permissible Services: Safekeeping of financial products and providing services incidental therein including maintaining accounts, collecting benefits / rights accrued to client, keeping client informed of actions by issuer, activities relating to issuance of depository receipts etc.
- Net worth requirement: USD 1 Mn

**X. Depository Participant**

- A participant of IFSC depository registered with the Authority is eligible for registration under this category.
- Permissible services: Open accounts for beneficial owners and segregate their securities, ensuring they are not mixed with others or the participant's own securities.

**XI. Clearing Member**

- A person who has clearing and settlement rights in IFSC clearing corporation is eligible for registration under this category.
- Permissible Services: Clearing and settlement of trades, custody of client assets, margin and risk management and maintain proper records and reporting.
- Net worth requirement: USD 1.35 Mn.

**Tax Incentives****Basic Tax Incentives**

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

**Specific Income-tax Incentives**

- No tax is payable on income earned by NR from securities, financial products or funds managed by a Portfolio Manager on their behalf. This exemption applies only if the income is received in an account with a Banking Unit in an IFSC and is not considered to accrue or arise in India.

**Key Statistics<sup>20</sup>****Number of registered IFSC Units**

Category	Count
Broker Dealer	92
Global Access Provider	6
Clearing Member	24
Depository Participant	10
Registered Distributor	19
Investment Advisor	5
Custodian	6
Debenture Trustee	4
Credit Rating Agency	2
Investment Banker	6
Research Entity	1
ESG Ratings and Data Products Provider	0

**Business transacted**

- Demat Accounts with Depositories in IFSC: 69,280.
- Number of Accounts on India INX Global Access: 6,003.
- Trading through India INX Global Access (Traded Value in USD Mn):
  - LRS (Residents): 53.56
  - IFSC Units: 38,716.99
  - NR: 255.03
- Cumulative Debt Listings at IFSC Exchanges: USD 68.03 Bn.



20. IFSCA Bulletin Oct-Dec 2025



## Banking and Insurance



# Banking<sup>21</sup>

## Background

Banking Businesses established in IFSC are intended to enable offshore activities to be undertaken onshore. By facilitating cross-border trade, investment, and capital flows, Banking would help strengthen global connectivity and support the overall functioning of the IFSC ecosystem.

## Permissible Activities

The list of illustrative permissible business activities is given below. For certain activities, an additional separate registration under the respective regulations issued by the Authority would be required prior to undertaking such activity.

### Commercial Banking

- Acceptance of Deposits
- Borrowing from and lending to other Banking Units in IFSC, parent bank, bank outside IFSC
- Lending – retail and corporate
- Providing trust services
- Equipment leasing and Hire purchase

### Retail Banking

- Investment Advisory service
- Distribution of capital market products
- Structured Deposits

### Capital Markets

- Trading and Clearing member of stock exchange and Bullion Exchange
- Acting as a custodian of assets/securities
- Undertaking OTC derivative contracts
- Investing in securities issued outside IFSC (other than Indian securities)
- Operating as an Investment Banker

## Others

- Acting as a portfolio manager
- Referral Services
- Factoring and Forfaiting services
- Underwriting
- Operating as FPI / Eligible Foreign Investor
- Remittances and Forex transactions
- Global Administrative Office
- Transfer of loan assets
- Negotiation of Letters of Credit of its constituents etc

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Indian banks and foreign banks, including those without any existing presence in India, are eligible to set up a Banking Unit in IFSC. The parent bank is required to obtain a no-objection letter from its home country regulator prior to setting up a presence in the IFSC.
- Banks may establish their presence in IFSC either as a branch ('IBU') or as a subsidiary company of the parent bank, in the form of an IFSC Banking Company ('IBC') (for simplicity, IBUs and IBCs are collectively referred to as 'Banking Units').
- An IBU is required to maintain minimum capital of USD 20 Mn at the parent bank level on an unimpaired basis, and the parent bank also undertake to provide liquidity for the operations of the Banking Unit in IFSC. In the case of an IBC, the parent bank is required to contribute a minimum capital of USD 50 Mn.
- Banking Units are permitted to open account in specified foreign currency.

21. IFSCA Banking Framework

### Operational Requirements

- Banking Units, operating as an IBU, are required to comply with prudential directions and instructions issued by their home country regulator, unless otherwise specified by the Authority.
- Relaxation from maintaining CRR and SLR.
- LCR and NSFR are required to be maintained at the branch level and may be maintained at the parent bank level with the prior approval from the Authority.
- LR may be maintained at the parent bank level, in accordance with the prudential norms of the home regulator, unless otherwise directed by the Authority.
- RDRR of 3% is required to be maintained daily on deposits raised from individuals, based on the previous working day's outstanding balance.
- The Authority has issued operational handbooks governing products and services, mandatory staffing structures (including controlled and designated functions), governance arrangements at the head office level, outsourcing norms, and operational oversight requirements for Banking Units.

### Tax Incentives

#### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

#### Specific Income-tax Incentives

- Interest earned by a non-resident or a person not ordinarily resident in India on deposits maintained with IBU is exempt from tax.
- Non-resident investors entering into Offshore Derivative Instruments, NDF or OTC derivative contracts with a Banking Unit are exempt from tax on both income distributions and gains arising from their transfer.
- Income attributable to the investment division of a Banking Unit is exempt from tax where it arises from:
  - a. transfer of specified capital assets executed on a recognised stock exchange in an IFSC and settled in convertible foreign exchange;
  - b. securities, other than shares of Indian companies;
  - c. securities issued by non-residents, to the extent such income does not otherwise accrue or arise in India;
  - d. income earned from a securitisation trust taxable under the head 'Profits and Gains of Business or Profession'.

### Key Statistics<sup>22</sup>

#### Number of registered IFSC Units

- 34

#### Business transacted

- Total assets of IBUs: USD 106,335 Mn
- Total customer deposits: USD 8,633.8 Mn



22. IFSCA Bulletin Oct-Dec 2025

# Insurance<sup>23</sup>

## Background

The insurance and reinsurance framework enables Indian and global insurers to establish IIO, facilitating access to international markets and strengthening reinsurance capacity from IFSC. The insurance ecosystem in the IFSC is categorised based on the nature of activities undertaken, namely insurance, reinsurance, and insurance intermediary services.

## Eligible Players

- Insurers registered with IRDAI, foreign insurers or reinsurers
- Society of Lloyd's acting for its members, and branch offices of foreign insurers or Lloyd's India registered with IRDAI
- Public companies or WOS of insurers or reinsurers formed and registered under Companies Act, 2013
- Insurance co-operative societies
- Foreign incorporated body corporates (except private company)
- Managing General Agents<sup>24</sup>

## Permissible Activities

- Life insurance, General insurance, Health insurance, and Reinsurance business.
- IIO set up as branch to carry out only those classes of business permitted by its home country regulator.

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: Established as incorporated entities or unincorporated branch offices
- Scope of Business:
  - Direct insurers may undertake insurance business within IFSC, from other SEZ, and from outside India. Conducting insurance business with persons in the Domestic Tariff Area is not permitted except with prior approval and only

for the specified categories of Indian assets. However, health insurance may be offered to person resident in India, within applicable threshold under exchange regulations.

- IIO registered as reinsurers may accept reinsurance business from cedents (primary insurer) based in IFSC in respect of risks originating from other SEZs, India (in accordance with the order of preference for cession prescribed by the IRDAI) and from outside India.
- Capital Requirements
  - For incorporated form: A direct insurer is required to maintain equity capital of ~USD 11.11 Mn<sup>25</sup>, while a reinsurer must maintain equity capital of ~USD 22.22 Mn<sup>26</sup>.
  - For unincorporated form: For branch offices of insurers or reinsurers are required to maintain at all times an assigned capital of USD 1.5 Mn, which may be maintained at the level of the parent entity.
- Net owned fund requirements: For reinsurance business undertaken through a branch office of foreign reinsurer, minimum net owned funds of ~USD 111.11<sup>27</sup> Mn are required to be maintained at all times at the home country level.
- Solvency requirements:
  - For unincorporated form: Maintain solvency margin for its IIO in home country, country of its incorporation / domicile, as stipulated by its home country regulatory / supervisory authority.
  - For incorporated form: Maintain such solvency margin as may be specified by the Authority.

23. IFSCA (Registration of Insurance Business) Regulations and the IFSCA (Operations of IFSC Insurance Offices) Guidelines

24. An entity authorized to carry on insurance, reinsurance, or both under a binding agreement with a foreign insurer or foreign reinsurer.

25. Equivalent to INR 100 crores - converted into USD @ INR 90/USD

26. Equivalent to INR 200 crores - converted into USD @ INR 90/USD

27. Equivalent to INR 1,000 crores - converted into USD @ INR 90/USD

## Tax Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

### Specific Income-tax Incentives for policy holders

- Payouts arising from life insurance policies or Unit Linked Insurance Policies are not subject to income-tax in India, if the annual premium payable in any policy year does not exceed 10% of the sum assured.

## Key Statistics<sup>28</sup>

### Number of registered IFSC Units

- Life Insurance Company: 8
- General Insurance Company: 4
- Health Insurance Company: 2
- Reinsurance Company: 10

### Business transacted

- Written/ Transacted Premium: USD 157.38 Mn



# Insurance Intermediaries Office<sup>29</sup>

## Background

An IFSC IIO refers to financial institution registered with the Authority to carry on the activities of intermediary / insurance intermediary.

## Permissible Activities

### Insurance Distributor

- Insurance Broker: Direct Broker, Reinsurance Broker, and Composite Broker
- Corporate Agent

### Insurance Claim Service Provider

- Surveyor and Loss Assessor
- Third Party Administrator

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: Branch or an incorporated form, subject to specified conditions for each intermediary
- Eligible Applicant:
  - Intermediary / Insurance Intermediary registered with IRDAI;
  - Foreign Insurance Intermediary registered with home country regulatory / supervisory Authority;
  - Indian company incorporated under the Companies Act, 2013/ firm /co-operative society;
  - Body corporate incorporated under the laws of any country outside India.

### Operational Requirements

- Scope of Operations
  - Direct Broker: Permitted to perform its activities from and within IFSC, from other SEZs in India and locations outside India. It cannot solicit business from DTA except with prior approval and only for the specified categories of Indian assets.

- Composite / Reinsurance Broker: Permitted to perform its activities within IFSC, in other SEZs in India, DTA and outside India.
- TPAs, SLAs: Render services only for policies issued by IIO and insurer based outside India. They cannot service regular domestic policies issued by Indian insurers for risks within India. However, TPAs may service foreign travel and health insurance policies issued by Indian insurers if those policies cover treatment / hospitalization abroad.
- Ceiling on business from single client<sup>30</sup>: Not more than 50% of total remuneration in a FY can come from one client.
- Specified capital and net worth requirements to be complied with.
- Have necessary infrastructure viz. adequate office space, equipment, manpower and IT infrastructure to discharge its functions effectively.
- Prior approval of the Authority required for change of principal officer / branch head, director/ partner/ member, name of unit or its corporate/ registered office.

## Tax and other Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

## Key Statistics<sup>31</sup>

### Number of registered IFSC Units

- Insurance Broker: 26
- Corporate Agent: 4
- Surveyor and Loss Assessor: 1

### Business transacted

- Written/ Transacted Premium: USD 141.961 Mn

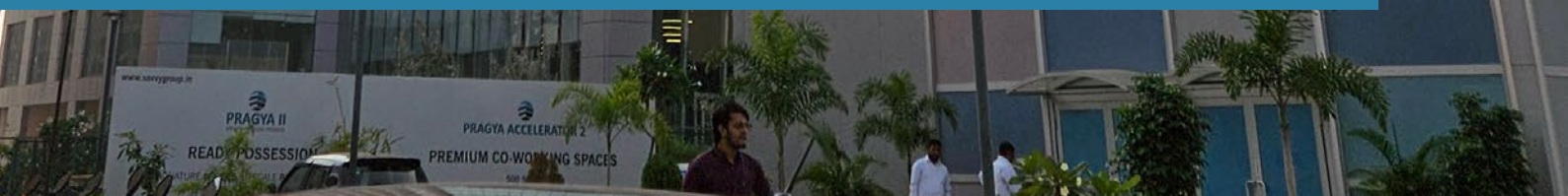
29. Framework for IIO

30. Client to include associate/ subsidiary or a group concern under the same management

31. IFSCA Bulletin Oct-Dec 2025



## Corporate and Support Services



## Global In-house Centres<sup>32</sup>

### Background

Large multi-national groups increasingly seek to centralise technology, compliance, risk, support and back-office functions to improve efficiency and reduce fragmentation. IFSC addresses this requirement by allowing Financial Services Groups to establish GIC. In the business world, such Units are also known as Global Capability Centres.

### Permissible Activities

The IFSC Unit is permitted to provide services in relation to financial product and financial services.

### Key IFSC Regulatory Requirements

#### Eligibility Criteria

- GIC Unit must be set up by FS Group which refers to group entities engaged in financial services or related activities which includes banks, non-banking financial companies, insurance and reinsurance entities, intermediaries, funds, market infrastructure institutions and similar entities. The relationships of the Group are to be determined based on control, significant influence, common branding, equity participation or network arrangements, in line with applicable accounting standards.
- Legal Form: Company, LLP or branch of company / LLP incorporated outside IFSC
- Service Recipients:
  - Non-resident FS group entity
  - Resident FS group entity – up to 10% of total revenue of IFSC Unit for the relevant FY.
- Overseas entity providing GIC services to its India-based group entities may shift such activities to IFSC, subject to prior approval of the Authority.
- Permitted business operating models: Captive Centre, BoT, Joint Venture, Hybrid or any other model as permitted by the Authority.

#### Operational Requirements

- Appoint or designate a principal officer and a compliance officer, both based out of IFSC. The principal officer would be responsible for overall operations of the IFSC Unit, while the compliance officer would be responsible for compliance oversight and reporting to the Board of Directors.
- Transfer of existing contracts or work arrangements from Indian FS group entities is not permitted.

#### Tax and other Incentives

##### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

##### Other Incentives

- Refer state-level incentives discussed in the section on 'Gujarat State Incentives'.

#### Key Statistics<sup>33</sup>

##### Number of registered IFSC Units

- Final Registrations: 3
- Registrations including in-principle / provisional registrations: 4

32. IFSCA (Global In-house Centres) Regulations, 2025

33. IFSCA Bulletin Oct-Dec 2025

# Book-keeping, Accounting, Taxation and Financial Crime Compliance Services<sup>34</sup>

## Background

BATF service providers play a critical role in enabling international financial institutions to manage complex multi-jurisdictional requirements efficiently. These Units form an essential infrastructure layer supporting cross-border transactions and operations in global financial centres.

## Permissible Activities

- **Book-keeping Services** which includes classifying and recording transactions and does not include payroll and taxation services.
- **Accounting Services** which includes preparation, analysis, and compilation of financial statements (without attestation or assurance), valuation support services, excluding audit services.
- **Taxation Services** which includes tax consultation, planning, advice on direct and indirect taxes, and preparation and filing of tax returns.
- **Financial Crime Compliance Services** which includes services for AML / CFT compliances, FATF recommendations, and related activities.

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: Company or LLP (Branch office is not permissible)
- Service Recipients: IFSC Units and non-residents

## Operational Requirements

- Appoint a principal officer and a compliance officer, both based out of IFSC and meeting the prescribed qualification and experience requirements. The principal officer would be responsible for overall operations of BATF Unit, while the compliance officer would be responsible for compliance oversight and reporting to the Board of Directors.
- IFSC Unit not to be set up by splitting up, reconstructing, or reorganizing of existing business in India.
- Relocation of workforce from Group Entities in India to IFSC Unit is capped at 20% of total workforce at the end of FY.
- Transfer of existing contracts / work arrangements from Group Entities in India to IFSC Unit not permissible.
- No assets are permitted to be transferred from Group Entities in India to IFSC Unit.

## Tax and other Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

## Key Statistics<sup>35</sup>

### Number of registered IFSC Units

- Final Registrations: 7
- Registrations including in-principle/ provisional registrations: 10

34. IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) Regulations, 2024

35. IFSCA Bulletin Oct-Dec 2025

# TechFin and Ancillary Services<sup>36</sup>

## Background

As financial services become increasingly digital, complex, and compliance-driven, institutions require integrated technology solutions and specialised support functions to operate efficiently at scale. TechFin services comprises technology-based solutions while Ancillary services include professional and operational support functions that aid the delivery of regulated financial activities.

## Illustrative Permissible Activities

### TechFin Services

- Accelerators and AgriTech
- Big data, analytics and cloud computing
- Core Technology Infrastructure and Platforms
- Cybersecurity and cyber risk management
- Technology solutions supporting trade finance and digital banking
- Tokenisation and Web 3.0-based technology solutions
- Data centres related services

### Ancillary Services

- Actuarial services, advisory and auditing services
- Legal and secretarial services and compliance reporting services
- Business, knowledge and legal process outsourcing services
- Human resource and payroll processing
- Valuation and Voice broking for banking
- Fund administration services
- Immigration support services for foreign students and professionals seeking to study or work in IFSC

### Prohibited Services

- Core activities that cannot be outsourced in regulated entity's home jurisdiction.
- Facility management, manpower-outsourced services, including building maintenance, security, housekeeping etc.
- Transport, logistics, construction-related services, and management of physical assets.

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- Legal Form: Company, LLP, branch of company or LLP incorporated outside IFSC or partnership firm (for professionals).
- Service Recipients: Non-residents, Residents (for setting-up office in IFSC or overseas) and IFSC Units, receiving services directly or through intermediaries.

### Operational Requirements

- Maintain adequate substance in the IFSC, commensurate with business operations.
- Appoint or designate a principal officer, responsible for overall business activities and a compliance officer, responsible for regulatory compliance.
- Principal officer and compliance officer would be full-time personnel and required to be based out of the IFSC.
- If services are provided exclusively to IFSC group entities, appointment of principal officer is optional, subject to the prior approval of the authority.

## Tax and other Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

### Other Incentives

- Refer state-level incentives discussed in the section on 'Gujarat State Incentives'.

## Key Statistics<sup>37</sup>

### Number of registered IFSC Units

- Final Registrations: 116
- Registrations including in-principle/ provisional registrations: 129

36. IFSCA (TechFin and Ancillary Services) Regulations, 2025

37. IFSCA Bulletin Oct-Dec 2025



## Technology, Innovation, and Education

## FinTech<sup>38</sup>

### Background

FinTech includes financial technology solutions which result in new business models, applications, process or products in financial services regulated by the Authority or advanced/innovative technology solutions which aid and assists activities in relation to financial products, financial services and financial institution.

### Permissible Activities

The Authority has enabled two operating pathways for a FE within IFSC:

- Direct Authorisation: For ready-to-deploy solutions to commence operation.
- Sandbox<sup>39</sup>: To test/develop FinTech ideas or solutions in controlled environment (discussed below).

FinTech solutions which results in new business models, applications, process, or products in financial services are part of permissible activities. An illustrative list is as follows:

- For Banking Sector: Remittance and Payments, Digital Lending, Buy Now Pay Later, Crowd Lending, Digital Bank (Neo Banking/ Challenger Bank), and Open Banking etc.
- For Capital Markets and Funds Management: Crowd Funding, Personal Finance, Wealth Tech, Robo Advisory, Sustainable Finance Products and Alternate Trading Platforms etc.
- For Insurance Sector: InsurTech, Innovative technologies for Insurance Life Cycle, Innovation in commercial insurance, Open Insurance, Embedded Insurance and Cyber Insurance etc.

### Key IFSC Regulatory Requirements

#### Eligibility Criteria

- Indian applicants can be DPIIT-recognized FinTech start-ups or Indian companies/LLPs including their IFSC branches or entities operating in ecosystems regulated by RBI/ SEBI/ IRDAI/ PFRDA. Foreign applicants to be from FATF-compliant jurisdictions.
- Legal Form: Separate entity (Company/LLP) or branch of Indian/foreign incorporated entity in IFSC.
- Applicant to use technology in its core product or service, business model or methodology.
- Applicant to have a deployable solution / working product and have revenue earning track record in at least 1 of last 3 financial years<sup>40</sup>.

#### Types of Sandboxes Permissible in IFSC

- Regulatory Sandbox: A live environment with a limited set of real customers for a limited timeframe; Participants are granted certain exemptions / relaxations from regulatory provisions to experiment with FinTech ideas and solutions.
- Innovation Sandbox: It is a testing environment where FE can test their ideas and solutions in isolation from the live market. Testing is based on market-related data provided by Financial Institutions operating in IFSC.
- Inter-operable regulatory sandbox: It means a testing environment for innovative hybrid financial products / services. It applies to products/services falling under the regulatory ambit of more than one domestic financial sector regulator (RBI, SEBI, IRDA, PFRDA).
- Overseas regulatory referral mechanism / FinTech Bridge: It is a co-operation mechanism between the Authority and any overseas financial sector regulator. It facilitates FinTechs that wish to operate in each other's jurisdictions.

38. Framework for FinTech Entity

39. IFSCA has issued a Consultation Paper 'Draft IFSCA FinTech Sandbox Framework' on 19 September 2025. The framework is yet to come into force, and accordingly, the regulatory requirements outlined here are subject to change upon finalization and implementation of the said Framework.

40. Applicable only for Direct Authorization

## Tax and other Incentives

### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

### FinTech Incentive Scheme

- Eligible Applicants
  - Are part of Regulatory or Innovative Sandbox
  - Are referred to FinTech bridge arrangement
  - Participate in Authority's supported Accelerator/ Cohort<sup>41</sup> or Special Programme
  - Are regulatory or supervisory bodies with MoUs / formal arrangements with the Authority
- Types of Incentives<sup>41</sup> for Eligible Applicants
  - Grant up to ~USD 16,600 to start-up in developing products/services and go-to-market initiatives
  - Grant up to ~USD 55,500 to enable early or mature FEs to conduct PoCs in India or overseas
  - Grant up to ~USD 33,300 to experiment with innovative product/service under sandbox regime
  - Grant up to ~USD 83,300 to develop sustainable finance solutions, sustainability-linked finance, and ESG investments
  - Grant up to ~USD 11,100 to eligible accelerators in capacity building, mentoring, investor engagement, and project/PoC tie-ups
  - Grant up to ~USD 16,600 to domestic FEs aspiring for stock exchange listings

### Other Incentives

Refer state-level incentives discussed in the section on 'Gujarat State Incentives'.

### Key Statistics

#### Number of registered IFSC Units<sup>42</sup>

- In Innovation Sandbox: 05
- In Regulatory Sandbox: 02



41. As per the incentive scheme, grant is given in INR. For the ease of reference, the figures have been converted into USD at exchange rate of INR 90 per USD and rounded off.

42. IFSCA Bulletin Oct-Dec 2025

# Payment Service Provider<sup>43</sup>

## Background

Payment Service Providers ('PSP') play a central role in enabling digital and cross-border payment flows within the IFSC ecosystem. They support e-commerce, institutional transactions, and international financial activity by facilitating secure and efficient payment services. The payments ecosystem is governed by regulations issued by the Authority to ensure secure and resilient payment systems. Under these regulations, a PSP is a company authorised by the Authority to provide one or more specified payment services.

## Permissible Activities

- **Account Issuance:** This service involves opening a payment account for a customer and providing the necessary facilities to operate it, such as enabling deposits and withdrawals. However, it does not include cross-border money transfer service .
- **E-Money Issuance:** It refers to issuing digital money (e-money) to a customer so that the customer can use it to make payment transactions.
- **Escrow Account:** Under this service, a PSP holds money in a designated escrow account with a Banking Unit in IFSC on behalf of the parties to a transaction, until the transaction is completed.
- **Cross-Border Money Transfer:** It involves accepting money from a person in IFSC for transmission outside IFSC or receiving money from outside IFSC for transmission within or outside IFSC. The service provider may act either as a principal or as an agent.
- **Merchant acquisition:** This service involves accepting and processing payment transactions for a merchant under an agreement between the service provider and the merchant, resulting in the transfer of funds to the merchant, whether or not the service provider comes into possession of any money in respect of the payment transaction.

## Activities not classified as Payment Services

- **Agent-handled transactions:** Payments made by an authorised agent who negotiates or concludes the sale or purchase of goods/services on behalf of the payer or payee.
- **Paper-based Transactions:** Payments transactions via cheques, drafts, postal orders, traveller's cheques, etc.
- **Inter-PSP / Settlement System Transactions:** Transactions carried out within recognised payment or securities settlement systems between authorised participants Payments (e.g., PSP, clearing houses, settlement agents, central counterparties, or central banks).
- **Securities Servicing Activities:** Payments related to dividends, income, distributions, redemptions, or sales within securities settlement systems.
- **Internal PSP Transactions:** Transactions between PSPs, or their agents or branches, carried out for their own account.
- **Intra Group Transfers:** Transactions within a corporate group (e.g., parent-subsidiary or inter-subsidiary) without involvement of an external PSP.
- **Cash Transport Services:** Collection, processing, and physical delivery of currency as a business.
- **Backend Support Providers:** Technical /support services without handling funds, including data processing, IT, authentication, and privacy protection services.
- **Limited-Use Payment Instruments:** Payment tools usable only within specific premises, closed networks, or for a limited range of goods/services.

## Key IFSC Regulatory Requirements

### Eligibility Criteria

- **Legal form:** Company with its registered office in IFSC. Prior approval of the Authority is required to operate outside IFSC.

43. IFSCA (Payment Services) Regulations, 2024

- Net Worth Requirements
  - Regular PSP – Minimum USD 0.1 Mn at commencement of operations, to be increased to USD 0.2 Mn by the end of third FY.
- Significant PSP
  - Minimum USD 0.25 Mn within 90 days of designation, as a significant PSP.
  - Net worth be increased to USD 0.5 Mn by the end of third FY.
- Substance and Financial Soundness: Applicant must maintain adequate infrastructure and manpower, aligning with business activities and demonstrate financial soundness.

#### Operational Requirements

- **Significant PSP:** A Regular PSP would be designated as a Significant PSP if it exceeds the prescribed transaction thresholds:
  - General Payment Services: Where monthly average transaction value over a calendar year exceeds:
    - o USD 2 Mn for any single payment service (excluding e-money account issuance service); or
    - o USD 4 Mn for two or more payment services (excluding e-money account issuance).

- E-Money Account Issuance: Where the average daily stored value of e-money in payment accounts exceeds USD 3 Mn over a calendar year.
- E-Money Issuance: Where the average daily issuance or intended issuance of e-money exceeds USD 3 Mn in a day over a calendar year.
- **Exemption:** Banking Units in IFSC and Licensed Credit Card Issuers in IFSC are exempt from obtaining PSP authorization.

#### Tax Incentives

##### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

#### Key Statistics<sup>44</sup>

##### Number of registered IFSC Units

- 3

##### Business transacted

- Number of Payment Accounts: 731
- Transactions in Payment Accounts: USD 10.03 Mn



## Foreign Universities<sup>45</sup>

### Background

Recognising the growing importance of global academic collaboration and specialised skill development, the Authority has enabled reputed foreign educational institutions to establish their presence in the IFSC through International Branch Campuses ('IBC') and Offshore Education Centres ('OEC'). An IBC represents a branch campus of a foreign university, while an OEC refers to a branch of a foreign educational institution (other than a university).

IBC and OEC, accredited in their home jurisdiction, are authorised to offer permitted academic and research programmes within the IFSC after obtaining registration with the Authority. IBC and OEC benefit from operational flexibility and autonomy over admission processes and fee structures due to non-applicability of domestic education laws.

### Permissible Activities

Academic and research programmes may be offered in permitted disciplines which includes Science, Technology, Engineering, Mathematics, Financial Management and FinTech.

### C. Key IFSC Regulatory Requirements

#### Eligibility Criteria

- Foreign Universities: Must be Ranked within Top 500 globally and/or in subject rankings per latest QS World Universities rankings.
- Foreign Educational Institutions: Must be reputed institution in its home jurisdiction.
- Legal Form: Branch
- The Branch is not permitted to act as a representative office to promote Parent entity's programmes outside the IFSC.

### Operational Requirements

- Adequate infrastructure, facilities and financial resources to be maintained to conduct permitted courses and research activities.
- Courses offered to be identical to those of the parent entity, with degrees and diplomas carrying the same recognition as in the parent entity's home jurisdiction.
- Faculty and student selection processes to be identical to those of the parent entity, prior approval of the Authority is required for any deviations, with justification.
- Prior approval of the Authority is required for suspension or closure of approved courses, along with arrangements to protect interest of enrolled students.
- Registration is valid for five years, with provision for renewable for an additional five years.
- Both Indian and Foreign students can enrol for the courses offered.
- Infrastructure and support services can be availed from Academic Infrastructure Service Providers for establishing presence in IFSC.

### Tax Incentives

#### Basic Tax Incentives

- Refer basic tax incentives discussed in the section on 'Tax Regime in IFSC'.

### Key Statistics<sup>46</sup>

#### Number of registered IFSC Units

- 2

45. IFSCA (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022

46. IFSCA Bulletin Oct-Dec 2025



## Individual Participation in IFSC – Investment and Banking Avenues

## Non-resident Individuals

IFSC offers non-resident individuals a regulated platform for investments, insurance and banking in foreign currency.

- **Investment in IFSC Funds:** NRIs, OCIs and other eligible non-residents may invest in fund schemes established in IFSC, including Category III AIFs, retail schemes and ETFs. Certain IFSC fund structures permit full non-resident participation and may offer tax neutrality in India where income arises solely from such funds.
- **Family Investment Structures:** IFSC enables establishment of family investment funds for wealth consolidation, succession planning and global diversification within a regulated framework.
- **Insurance Products:** Life insurance and related financial products issued by IFSC Insurance Offices may be accessed by non-residents, with policies typically denominated in foreign currency.
- **Foreign Currency Banking:** IFSC Banking Units facilitate account opening and deposits for investment and treasury purposes. Interest income on eligible deposits may benefit from applicable tax exemptions.

## Resident Individuals

Resident individuals may utilise IFSC as a gateway for international investments and foreign currency banking.

- **Global Investments through IFSC Funds:** Under the LRS, resident individuals may invest in overseas markets through IFSC-based outbound fund structures, gaining exposure to international equities, debt instruments and other permitted global assets.
- **Direct Overseas Market Access:** Through authorised Global Access service providers, individuals may invest directly in foreign exchanges across asset classes including equities, ETFs, bonds and mutual funds.
- **Foreign Currency Deposit Accounts:** Resident individuals may open foreign currency deposit accounts with IFSC Banking Units in major global currencies, enabling offshore-style banking within India's regulatory ecosystem.





- Enabling USD settlement among IFSC Banking Units through FCSS. The framework reduces reliance on correspondent banking, improves settlement efficiency and mitigates counterparty risk.
- Simplification for compliance through enabling electronic filing of e-BLUT, removing stamp paper and notarisation requirements.
- Reforming Fund Management sector by permitting a certification led alternative route with reduced experience thresholds will now be permitted for KMP, with eligible work experience expanded to include roles in consulting, advisory and finance related firms and providing flexibility in relation to the validity of PPM allowing multiple extensions in 6-months block.
- Facilitate better cross-border access and collaboration achieved through MoU signed with Malta Financial Services Authority and cooperation framework with European Securities and Markets Authority.
- Engagement at the World Economic Forum reflected rising global interest across banking, capital markets, insurance, fintech and GCC activities.
- Following a pro-active approach, regularly organizing industry-focused events, webinars, seminars, and forums to engage stakeholders and promote ease of doing business.
- Refining the IFSC regulatory architecture through targeted consultation papers and draft frameworks the select examples of which are as follows:
  - Proposed Financial Advisors Regulations introducing a structured framework for advisory engagement
  - Notifying operating lease (including hybrid lease) of oilfield equipment as a financial product
  - Proposed framework for ETP for institutional market participants.
  - Consultation Paper on Sustainable Deposits and Sustainable Lending and Investments, expanding the sustainable finance ecosystem.
  - Guidelines on Algorithmic Trading to address evolving market practices.
  - Proposed FinTech Sandbox Framework to institutionalise innovation and technology-led financial services.
  - Consultation Paper on regulations for prohibition of market abuse (including insider trading and market manipulation) in IFSC securities markets.





## Tax Regime in IFSC

## Income-tax Incentives

The Income-tax Act, 2025 has been enacted with effect from 1 April 2026, replacing the erstwhile tax law i.e. Income-tax Act, 1961. The income-tax incentives applicable to IFSC Units are as under:

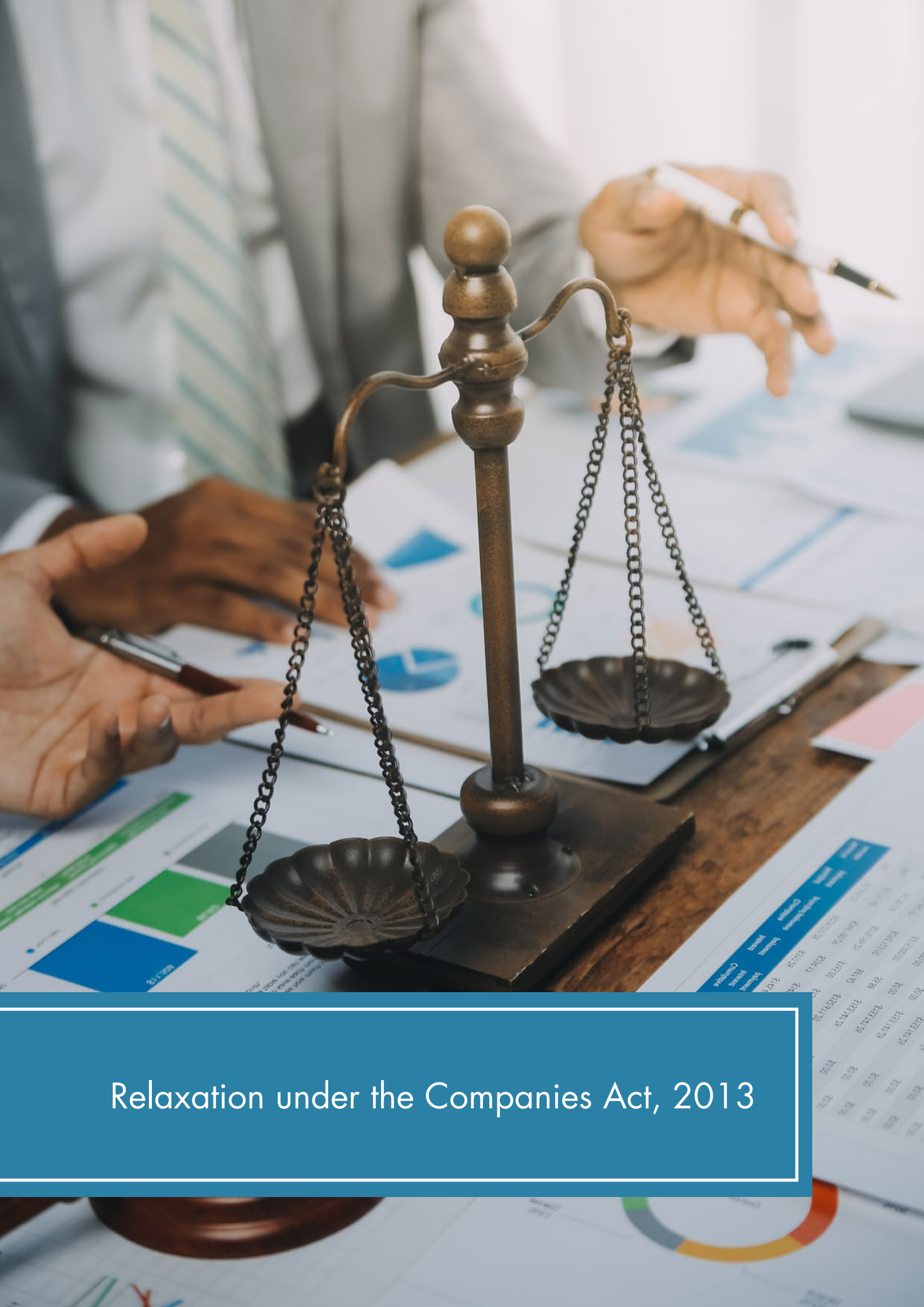
- **Residential status:** IFSC Unit is treated as a 'resident' in India for income-tax purposes and is therefore subject to Indian income-tax on its global income, in accordance with the provisions of the Income-tax Act, 1961.
- **Tax Holiday benefits:** IFSC Unit is eligible for a 100% tax holiday in respect of its eligible business income for any 20 consecutive years out of the first 25 years from the year in which registration from IFSCA was obtained, at the option of the Unit. (Previously under Income-tax Act, 1961, this benefit was available for 10 consecutive years out of the first 15 years, which has now been extended.)
- **Additional condition for availing tax holiday:** For IFSC Units commencing operations on or after April 1, 2026, the tax holiday benefit is available only when the IFSC Unit is not formed by way of splitting up, reconstruction, reorganisation, or transfer of an existing business in India.
- **Concessional Tax rate post tax holiday:** Income from approved business activities of IFSC Unit, after the expiry of the 20-year tax holiday period, is taxable at a concessional rate of 15%. Any other income continues to be taxable at the applicable rates in force.
- **Concessional Tax Regime / New Regime:** Companies incorporated in India (including IFSC) opting for the concessional tax regime remain eligible to avail IFSC tax holiday benefit.
- **Minimum Alternate Tax / Alternate Minimum Tax:** IFSC Units that do not opt for the concessional corporate tax regime are subject to MAT/AMT at a reduced rate of 9% (plus applicable surcharge and cess). MAT/AMT does not apply where the concessional regime is exercised.
- **Interest income – non-residents:** Interest earned by a non-resident on monies lent to IFSC Unit is exempt from income-tax in India, where the borrowing is undertaken on or after September 1, 2019.
- **Dividend income – non-residents:** Dividends distributed by an IFSC company to non-resident shareholders are taxable in India at a concessional rate of 10%, subject to a further relief under an applicable tax treaty, if applicable.
- **Capital gains – non-residents:** Capital gains arising to non-residents from the transfer of specified securities listed and traded on IFSC stock exchanges are exempt from tax in India, if the consideration is received in foreign currency.
- **Withholding tax relief:** Certain notified payments made to IFSC Units are not subject to withholding tax in India, subject to fulfilment of prescribed conditions.
- **Transfer pricing applicability:** Specified Domestic Transfer Pricing provisions to be applicable under Branch Model. Also, transactions between IFSC Units (being a separate legal entity) and its AE (being non-Indian entities) continue to be subject to the Transfer Pricing provisions.

## Indirect Tax Incentives

---

- **Services received by IFSC Units:** Services received by an IFSC Unit from another IFSC Unit or a DTA Unit are not subject to GST.
- **Services provided by IFSC Units:** Services provided by an IFSC Unit to other IFSC Units, SEZ Units, or offshore clients are exempt from GST. However, services provided by an IFSC Unit to DTA Units is subject to levy of GST at applicable rates.
- **Transactions on IFSC stock exchanges:** Transactions carried out on IFSC stock exchanges are exempt from GST and STT.
- **Custom Duty on Imports:** No customs duty or IGST is payable on goods imported into IFSC or SEZ Unit for authorized operations and can be used within the approved period of 5 years.
- **Central Excise:** No excise duty is leviable on goods procured from the DTA for the purpose of undertaking authorized activities.
- **Duty Drawback:** Eligible drawback and allied incentives are available in respect of goods brought into the SEZ. Further, supplies made to an SEZ are treated as exports for customs purposes.
- **Stamp Duty:** Stamp duty is exempted on transactional instruments executed in IFSC stock exchanges and depositories in IFSC. Further, documents executed by, or in favour of, IFSC Units are also exempt from stamp duty.





# Relaxation under the Companies Act, 2013

## Key relaxations applicable to Unlisted Public Companies and Private Companies in IFSC

- An IFSC company is required to include the suffix 'International Financial Service Company' or 'IFSC' as part of its corporate name.
- An IFSC company, which is a subsidiary of a foreign company, may align its financial year with that of its foreign parent without obtaining approval from the NCLT.
- EGM of an IFSC company can be held at any location within or outside India after obtaining consent from all the shareholders
- Corporate Social Responsibility obligations are not applicable during the first 5 years from commencement of operations.
- The requirement to conduct internal audit is relaxed, unless such requirement is specifically provided in the Articles of Association.
- The first Board meeting is allowed to be held within 60 days of incorporation (instead of 30 days applicable for non-IFSC companies).
- At least one board meeting is required in each half of a calendar year (instead of one board meeting for each calendar quarter), with a gap of 120 days between two board meetings).
- IFSC company is permitted to make multiple private placements offers of securities simultaneously, without waiting for completion of a prior offer.
- An IFSC company is required to deliver the certificates of all securities to subscribers after transfer, or transmission within a period of 60 days (as compared to 30 days applicable for non-IFSC companies).
- For IFSC companies, the BOD is allowed to pass a resolution (having unanimous approval of the directors) for making investment / loans / guarantee / security through circular resolution mode also.
- The restriction on making investments through more than 2 layers of investment companies does not apply.
- The provisions relating to mandatory rotation of statutory auditors after a prescribed tenure are not applicable.

## Additional relaxations applicable to Unlisted Public Companies in IFSC

- No requirement to appoint whole-time director, managing director or manager.
- No requirement to appoint a woman director and independent directors.
- No requirement to constitute the audit committee, nomination and remuneration committee or stakeholders' relationship committee.
- No statutory ceiling on the maximum managerial remuneration payable to managerial personnel.

Recently, the Corporate Laws (Amendment) Bill, 2026 was introduced in Lok Sabha, wherein, IFSC companies are required to issue and maintain share capital in permitted foreign currency, with books of account and financial statements also maintained in that currency



# Foreign Exchange Regulations

## Residential Status

An IFSC Unit is treated as non-resident under Foreign Exchange Regulations, irrespective of its residential status under Income-tax Law or the Companies Law in India.

## Transactions with IFSC Units

- a. Transactions between an IFSC Unit and an Indian resident are subject to Foreign Exchange Regulations.
- b. Transactions between two IFSC Units, or between an IFSC Unit and a non-resident, are outside the purview of Foreign Exchange Regulations.

## Investments in IFSC

- a. Indian FS Entity: Permitted to make ODI in IFSC subject to certain conditions
- b. Indian Non-FS Entity: Permitted to make ODI in IFSC without any restrictions
- c. Resident Individual: ODI in IFSC (excluding Banking and Insurance):
  - Permitted if no subsidiary/step-down subsidiary outside IFSC; or
  - If such subsidiaries exist outside IFSC, ODI is allowed only if Resident Individual has no control in such IFSC Unit and Foreign Entities.

## Indian entities permitted to invest in IFSC

The following Indian entities are permitted to make investment in equity capital of IFSC:

- a. Companies incorporated under the Companies Act, 2013
- b. Limited Liability Partnerships incorporated under the LLP Act, 2008
- c. Partnership firms registered under the Indian Partnership Act, 1932
- d. Body corporate incorporated under any law in force in India

## Investment by resident individuals

Resident Individuals are permitted to make investment in IFSC within the overall remittance limit of USD 0.25 Mn per financial year under the LRS.

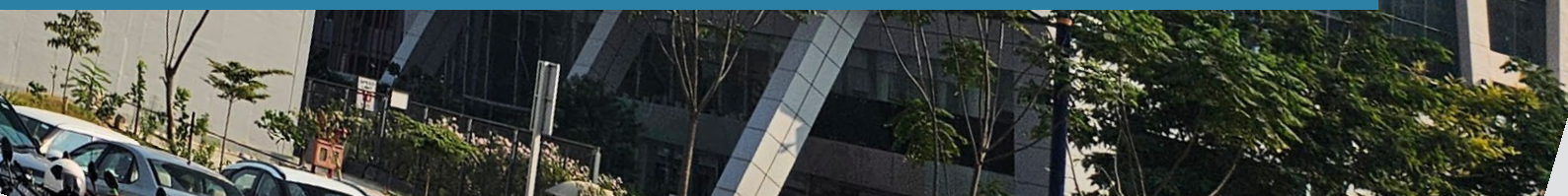
## Threshold for investment under automatic route

The total financial commitment of an Indian entity in foreign entities, including investments in IFSC, must not exceed 400% of its net worth, as per the latest audited financial statements.





## Gujarat State Incentives



## Gujarat Global Capability Centre Policy (2025-30)<sup>47</sup>

The Gujarat Global Capability Centre Policy 2025-30 aims to position Gujarat as a preferred destination for Global Capability Centres of multinational and domestic enterprises. The policy seeks to attract large-scale investments and generate high-skilled employment across technology, financial services, engineering and R&D functions. The select incentives<sup>48</sup> available to eligible GCC Units under the aforesaid GCC Policy are summarised below:

Particulars	Incentive Category and Description	Ceiling
Capital < ~USD 28 Mn	<b>Capex Subsidy</b> <ul style="list-style-type: none"> <li>Up to 20% on purchase and construction of building (subject to specified cap) and other related fixed assets</li> <li>Up to 30% on computers, software, networking related hardware</li> </ul>	~USD 5.56 Mn
	<b>Opex Subsidy</b> <ul style="list-style-type: none"> <li>Up to 15% of annual Opex</li> </ul>	~USD 2.22 Mn p.a. (Bandwidth and cloud rental capped at 35% of Opex and maximum to ~USD 0.8 Mn p.a.)
Capital ≥ ~USD 28 Mn) Or 500+ employment	<b>Capex Subsidy</b> <ul style="list-style-type: none"> <li>Up to 20% on purchase and construction of building (subject to specified cap) and other related fixed assets</li> <li>Up to 30% on computers, software, networking related hardware</li> </ul>	~USD 22.22 Mn
	<b>Opex Subsidy</b> <ul style="list-style-type: none"> <li>Up to 15% of annual Opex</li> </ul>	~USD 4.44 Mn p.a. (Bandwidth and cloud rental capped at 35% of Opex and maximum to ~USD 1.56 Mn p.a.)
All GCC	<b>Employment Generation</b> <ul style="list-style-type: none"> <li>Up to 50% reimbursement of monthly CTC for one year</li> </ul>	Up to ~USD 556 (male)/ ~USD 667 (female) per employee
	<b>Interest Assistance</b> <ul style="list-style-type: none"> <li>Up to 7% interest subsidy</li> </ul>	Capped at ~USD 0.11 Mn p.a. for five years
	<b>Aatmanirbhar Gujarat Rojgar Sahay</b> <ul style="list-style-type: none"> <li>EPF reimbursement of employer's contribution: Up to 75% (male employee) / 100% (female employee)</li> </ul>	Capped at 12% of employee's basic salary + dearness allowance + retaining allowance

47. Gujarat Global Capability Center (GCC) Policy (2025-30)

48. As per the GCC Policy, thresholds are required to be seen in INR terms. However, for ease of reference, the figures in the above table have been converted into USD at an assumed exchange rate of INR 90 per USD and rounded off.

Particulars	Incentive Category and Description	Ceiling
All GCC	<b>Electricity Duty</b> <ul style="list-style-type: none"> <li>100% Electricity duty reimbursement for five years</li> </ul>	NA
	<b>Quality Certification</b> <ul style="list-style-type: none"> <li>Up to 80% of quality certification fees</li> </ul>	Capped at ~USD 0.01 Mn
	<b>Skilling of Talent</b> <ul style="list-style-type: none"> <li>50% of course fee (working professionals) and 75% (undergraduate / graduate students)</li> </ul>	Capped at ~USD 556 for undergraduate / graduate students



## Gujarat Incentive Policy for IT /ITeS Sector (2022-27)<sup>49</sup>

The Gujarat State IT/ITeS Policy 2022-27 seeks to promote the growth of IT and IT-enabled service Units in the State through targeted fiscal and operational incentives. The policy covers permissible businesses such as software and product development, BPO, KPO, finance and accounting processing, HR and payroll processing, and emerging technologies including cybersecurity, big data, artificial intelligence, blockchain and machine learning. The select incentives<sup>50</sup> available to eligible Units under the aforesaid IT/ITeS Policy are summarised below:

Type	Incentive	Ceiling
Capital < ~USD 28 Mn)	<b>Capex Subsidy</b> Up to 25% of eligible Capex	~USD 5.56 Mn
	<b>Opex Subsidy</b> Up to 15% of annual eligible Opex	~USD 2.22 Mn p.a.
Capital ≥ ~USD 28 Mn Or 2000+ IT employment	<b>Capex Subsidy</b> Up to 25% of eligible Capex	~USD 22.22 Mn
	<b>Opex Subsidy</b> Up to 15% of annual eligible Opex	~USD 4.44 Mn p.a.
All IT / ITeS	<b>Employment Generation</b> Up to 50% reimbursement of monthly CTC for one year	Up to ~USD 556 (male)/ ~USD 667 (female) per employee
	<b>Interest Assistance</b> Up to 7% interest subsidy	Capped at ~USD 0.11 Mn p.a. for five years
	<b>Aatmanirbhar Gujarat Rojgar Sahay</b> EPF reimbursement of employer's contribution: Up to 75% (male employee) / 100% (female employee)	Capped at 12% of employee's basic salary + dearness allowance + retaining allowance
	<b>Electricity Duty</b> 100% Electricity duty reimbursement	NA
	<b>Skilling of Talent</b> 50% of course fee	Capped at ~USD 556 for undergraduate and graduate students

### Duration of Incentive

- Capex: Two years from commencement of business operations
- Opex: Generally, available for five years from the commencement of business operations, subject to prescribed conditions.

49. Gujarat IT/ ITeS Policy (2022-27)

50. As per the IT/ITeS Policy, thresholds are required to be seen in INR terms. However, for ease of reference, the figures in the above table have been converted into USD at an assumed exchange rate of INR 90 per USD and rounded off.



## Establishing Presence in IFSC – Process Overview

The establishment of a unit in IFSC involves commercial arrangements, SEZ approvals, and sector-specific regulatory licensing. The process can be broadly divided into the following stages:

### Stage - 1



#### Feasibility Study and Structuring

The applicant would align its business intent with the IFSC regulatory framework:

- Finalise the nature of activities to be undertaken from IFSC.
- Conduct feasibility study for the proposed business activities.
- Informal meeting with the Authority officials to present and discuss the proposed business plan and its suitability in IFSC, if required based on the feasibility study.
- Determine the appropriate legal form of the IFSC Unit.
- Reserve appropriate name (for a separate legal entity) in accordance with applicable norms.
- Obtain DSC of the KMPs as may be required.

**Indicative Timelines (Approx):** 4 weeks

### Stage - 2



#### Identification of Office Premises

Having an office within the IFSC is a pre-requisite for obtaining regulatory approvals:

- Evaluate suitable office spaces within IFSC the size of which commensurate with the proposed business plan - opting for flexible office options /co-working spaces can accelerate operational readiness.
- Conclude commercial negotiations with any of the Co-Developer for the office space.
- Obtain PLOA confirming space reservation from the Co-Developer.

**Indicative Timelines (Approx):** 3 weeks

### Stage - 3



#### Obtaining In-Principle Approvals

At this stage, application for registration is required to be submitted:

- Submit a consolidated application through the Authority's SWIT portal for SEZ Unit Approval (Form F to Administrator (IFSCA)) and the IFSCA Registration/Licensing.
- Submit key documents including PLOA, certificate of incorporation, PAN, detailed project report, financial statements, return of income of promoter / parent entity and net worth certificate.
- The applicant would be called upon by the Administrator (IFSCA) to appear before the UAC to discuss the proposed business model.
- Following approval by the UAC, the Administrator (IFSCA) will issue the LOA.
- Obtain in-principle regulatory approval from the Authority.

**Indicative Timelines (Approx):** 6 weeks

## Stage - 4

**Documentation Post In-principle Approval**

After approvals, formal execution and statutory compliance follows:

- Open Foreign Currency and Special Rupee / SNRR accounts with authorised banks.
- Submit the BLUT and the application for obtaining EC.
- Obtain EC and other necessary registrations such as GST, RCMC, IEC, etc.
- Execute a definitive lease agreement for the office premises.
- Submit the aforesaid documents with the Authority and on the SEZ Portal.

**Indicative Timelines (Approx):** 3 weeks

## Stage - 5

**Final Approval and Commencement of Business**

At this stage, the operational requirements are focused:

- Set up internal systems, complete staffing requirements, and compliance framework.
- Receive final regulatory approval from the Authority.
- Submit a Commencement of Business Certificate to the Authority along with first client invoice and acknowledgement of payment receipt.

**Indicative Timelines (Approx):** 3 weeks



## Glossary

Abbreviation	Description
AE	Associate Enterprise
AIF	Alternative Investment Fund
AML	Anti-Money Laundering
AMT	Alternate Minimum Tax
Approx.	Approximately
AUM	Assets Under Management
Authority / IFSCA	International Financial Services Centres Authority
BATF	Book-keeping, Accounting, Taxation and Financial Crime Compliance Services
BLUT	Bond-cum-Letter of Undertaking
Bn	Billion
BOD	Board of Directors
BoT	Build-Operate-Transfer
BPO	Business Process Outsourcing
Capex	Capital Expenditure
Cat-I AIF / Cat-II AIF / Cat-III AIF	Category I / Category II / Category III Alternative Investment Funds
CFT	Counter Terrorism Financing
CMI	Capital Market Intermediary
CRR	Cash Reserve Ratio
CTC	Cost to Company
DTA	Domestic Tariff Area
DPIIT	Department for Promotion of Industry and Internal Trade
DSC	Digital Signature Certificate
EBITDA	Earning Before Interest, Taxes, and Amortization
EC	Eligibility Certificate
EGM	Extraordinary General Meeting
ERDPP	ESG Ratings and Data Products Providers
ESG	Environmental, Social and Governance
ETFs	Exchange Traded Funds
ETPs	Electronic Trading Platforms
e-BLUT	Electronic Bond-cum-Letter of Undertaking


Abbreviation	Description
FATF	Financial Action Task Force
FC	Finance Companies
FCSS	Foreign Currency Settlement System
FE	FinTech Entity
FEMA	Foreign Exchange Management Act, 1999
FS group entity	Financial Services Group Entity (set up by Financial Institution)
FME	Fund Management Entity
FPI	Foreign Portfolio Investor
FS	Financial Services
FU	Finance Unit
FY	Financial Year
GAP	Global Access Provider
GCC	Global Capability Centre
GIC	Global In-house Centre
GIFT	Gujarat International Finance Tec-City
GST	Goods and Services Tax
HR	Human Resources
IBC	IFSC Banking Company (In relation to: Banking Regulations) International Branch Campuses (In relation to: Foreign University)
IBU	IFSC Banking Unit
IEC	Import Export Code
IFSC	International Financial Services Centre
IGST	Integrated Goods and Services Tax
IIO	IFSC Insurance Office
IIIO	IFSC Insurance Intermediary Office
INR	Indian Rupee
InvITs	Infrastructure Investment Trust
IoRS	Inter-operable Regulatory Sandbox
IOSCO	International Organization of Securities Commissions
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology

Abbreviation	Description
IT	Information Technology
IT/ITeS	Information Technology / Information Technology Enabled Services
KMP	Key Managerial Personnel
KPO	Knowledge Process Outsourcing
LCR	Liquidity Coverage Ratio
LOA	Letter of Approval
LR	Leverage Ratio
LRS	Liberalised Remittance Scheme
LLP	Limited Liability Partnership
M&A	Merger & Acquisitions
MAT	Minimum Alternate Tax
Max.	Maximum
Min.	Minimum
Mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NDFs	Non-Deliverable Forwards
NR	Non-Resident
NRIs	Non-Resident Indians
NSFR	Net Stable Funding Ratio
NW	Net Worth
OCIs	Overseas Citizens of India
OEC	Offshore Education Centres
ODI	Overseas Direct Investment
Opex	Operating Expenditure
OTC	Over-the-Counter
PAN	Permanent Account Number
PFRDA	Pension Fund Regulatory and Development Authority
PLOA	Provisional Letter of Allotment
PoCs	Proof of Concepts
PPM	Private Placement Memorandum

Abbreviation	Description
PSP	Payment Service Provider
QS World Universities Rankings	Quacquarelli Symonds World University Rankings
R&D	Research and Development
RBI	Reserve Bank of India
RCMC	Registration-cum-Membership Certificate
RDRR	Retail Deposit Reserve Ratio
REITs	Real Estate Investment Trust
SEBI	Securities and Exchange Board of India
SEZs	Special Economic Zones
SLA	Surveyor and Loss Assessor
SLR	Statutory Liquidity Ratio
SNRR	Special Non-Resident Rupee
STT	Securities Transaction Tax
SWIT	Single Window IT System
TAS	TechFin and Ancillary Services
TAS Regulations	IFSCA (TechFin and Ancillary Services) Regulations, 2025
TPA	Third Party Administrator
UAC	Unit Approval Committee
Units/IFSC Unit	Unit Setup and Registered with IFSCA
USD	United States Dollar
VC	Venture Capital
WOS	Wholly Owned Subsidiary



## About Dhruva Advisors



Dhruva Advisors India Pvt. Ltd., a Ryan LLC affiliate, is a leading tax and regulatory advisory firm delivering high-impact solutions across India and key global markets. In a rapidly evolving tax environment, we help clients navigate complexity with clear, practical, and insight-driven guidance.

Founded in 2014, Dhruva has grown into one of India's most respected tax firms, operating from 12 offices across India and international locations in Dubai, Abu Dhabi, Saudi Arabia, and Singapore. Our leadership team includes 28 Partners, 8 Senior Advisors, 17 Associate Partners, and 42 Principals, supported by nearly 500 professionals with deep technical expertise and a strong commitment to client outcomes.

Dhruva Advisors has been consistently recognized by International Tax Review, earning the 'India Tax Firm of the Year' award for five consecutive years (2017–2021) and maintaining a 'Tier 1' ranking through 2026. These accolades reflect our focus on accountability, innovation, and a client-first mindset.

Our expertise spans tax disputes, global structuring, advisory, and regulatory strategy. We support clients across industries including Aerospace & Defense, Agro & Chemicals, Automotive, Conglomerates, Education, Energy & Resources, Financial Services, Healthcare, IT & ITeS, Manufacturing, Pharma & Life Sciences, Private Equity, Real Estate, Transportation, Telecom, and Media.

Wherever tax complexity exists, Dhruva delivers clarity.

### Our recognitions

Dhruva Advisors has consistently been ranked as 'Tier 1' firm in General Corporate Tax, Indirect Tax, and Transfer Pricing, maintaining top-tier rankings through 2026.

Awarded 'India Tax Firm of the Year' at the ITR Asia Tax Awards for five consecutive years (2017–2021).

Recognized as the 'India Disputes and Litigation Firm of the Year' at the ITR Asia Tax Awards in 2018 and 2020.

Dhruva Consultants achieved ITR World Tax Ranking 2026:

- Tier 1 – Indirect Tax
- Tier 2 – General Corporate Tax, Transfer Pricing, Transactional Tax
- Other Notable: Tax Controversy

## Our Offices

### Mumbai

Dhruva Advisors India Pvt. Ltd.  
1101, One World Center,  
11th Floor, Tower 2B,  
Senapati Bapat Marg  
Elphinstone Road (West),  
Mumbai - 400013  
Maharashtra, India  
Tel: +91 22 6108 1000/1900

### Ahmedabad

Dhruva Advisors India Pvt. Ltd.  
402, 4th Floor, Venus Atlantis,  
100 Feet Road, Prahladnagar,  
Ahmedabad - 380 015, India  
Tel: +91 79 6134 3434

### Bengaluru

Dhruva Advisors India Pvt. Ltd.  
67/1B, Lavelle Road 4th Cross  
Bengaluru Karnataka - 560001  
India

### Delhi/NCR

Dhruva Advisors India Pvt. Ltd.  
305-307, Emaar Capital  
Tower - 1, MG Road,  
Sector 26, Gurugram  
Haryana - 122 002, India  
Tel: +91 124 668 7000

### New Delhi

Dhruva Advisors India Pvt. Ltd.  
1007-1008, 10th Floor  
Kailash Building,  
KG Marg, Connaught Place  
New Delhi - 110001, India  
Tel: +91 11 4295 3180

### GIFT City

Dhruva Advisor IFSC LLP  
510, 5th Floor, Pragya II, Zone-1,  
GIFT SEZ GIFT City,  
Gandhinagar - 382050,  
Gujarat.  
Tel: +91 78785 77277

### Kolkata

Dhruva Advisors India Pvt. Ltd.  
4th Floor, Camac Square,  
Unit No 403 & 404B, Camac St  
Kolkata - 700016, West Bengal  
India  
Tel: +91 33 6637 1000

### Pune

Dhruva Advisors India Pvt. Ltd.  
406, 4th Floor, Godrej Millennium  
Koregaon Park, Pune - 411001  
Maharashtra, India  
Tel: +91 20 6730 1000

### Abu Dhabi

Dhruva Consultants  
1905 Addax Tower, City of Lights,  
Al Reem Island  
Abu Dhabi, UAE  
Tel: +971 2 678 0054

### Dubai

Dhruva Consultants  
Emaar Square, Building 4,  
2nd Floor, Office 207  
Downtown, Dubai, UAE  
Tel: +971 4 240 8477

### Saudi Arabia

Dhruva Business Services Company  
308, 7775 King Fahd Rd,  
Al Olaya, 2970  
Riyadh 12212  
Saudi Arabia

### Singapore

Dhruva Advisors Pte. Ltd.  
#16-04, 20 Collyer Quay,  
Singapore - 049319  
Tel: +65 9144 6415

## Key Contacts

### MUMBAI

**Dinesh Kanabar**  
Chairman & CEO  
dinesh.kanabar@dhruvaadvisors.com

### Mehul Bheda

Partner  
mehul.bheda@dhruvaadvisors.com

### Punit Shah

Partner  
punit.shah@dhruvaadvisors.com

### Sandeep Bhalla

Partner  
sandeep.bhalla@dhruvaadvisors.com

### AHMEDABAD/GIFT CITY

### Mehul Bheda

Partner  
mehul.bheda@dhruvaadvisors.com

### DELHI/NCR

### Vaibhav Gupta

Partner  
vaibhav.gupta@dhruvaadvisors.com

### PUNE

### Sandeep Bhalla

Partner  
sandeep.bhalla@dhruvaadvisors.com

### BENGALURU/ KOLKATA

### Aditya Hans

Partner  
aditya.hans@dhruvaadvisors.com

### MIDDLE EAST

### Nimish Goel

Leader, Middle East  
nimish.goel@dhruvaadvisors.com

### SINGAPORE

### Dilpreet Singh Obhan

Partner  
dilpreet.singh@dhruvaadvisors.com