



IFSCA Presentation:
GIFT IFSC Highlights & Opportunities

GIFT City – Overview



International Financial Services Centres Authority (IFSCA)

- **A Global Financial & IT Hub**
with a Domestic Tariff Area & a Multi Services SEZ
- **GIFT SEZ- Notified as India's 1st International Financial Services Centre (GIFT IFSC)**
- **Employment opportunities for 1 Million workforce**
- **A Greenfield Smart City**
with State-of-the-Art Infrastructure
- **A Vertical City**
1st of its kind in the country in scale, scope & quality



Water Treatment Plant



District Colling Plant



Utility Tunnel



Automated Waste Collection & Segregation Plant





International Financial Services
Centres Authority (IFSCA)

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY



International Financial Services
Centres Authority (IFSCA)

1

IFSCA has been established as a unified financial regulator by the Government of India under the IFSCA Act, 2019

2

The Authority is mandated to develop and regulate Financial Institutions, Financial Services and Financial Products in the International Financial Services Centre (IFSC) in India

3

To develop and regulate IFSC's in India, IFSCA has been vested with powers of four sectoral regulators namely- RBI*, SEBI*, IRDAI* & PFRDA*

Overview - Opportunities



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The latest Global Financial Centers Index, London, (March 2021) puts IFSC in GIFT City at the top amongst 15 centers globally, which are likely to become more significant over the next two to three years

- Access to large hinterland economy
- Connecting ~30 Mn strong Indian diaspora globally to India through IFSC
- Inbound and outbound gateway for International financial services
- Access to Global Investors to participate in India growth story
- Opportunity to Global investors to set up business in the areas of banking, investments, insurance and asset management
- IFSC to emerge as a leading fund destination for both Indian and Foreign centric funds and as a global hub for fintech startups



Overview - IFSC



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BUSINESS ACTIVITIES



BANKS

- Indian banks
- Foreign banks



CAPITAL MARKET

- Stock/Commodity Exchanges
- Clearing Corporation
- Depository
- Broker Dealer



ASSET MANAGEMENT

- Alternate Investment Fund
- Investment Advisers
- Wealth Management
- Portfolio Manager
- Custodial Services



INSURANCE

- Indian Insurer
- Indian Reinsurer
- Indian Broker
- Foreign Insurer
- Foreign Reinsurer



Other Financial Institutions

- Finance Company
- Global Corporate Treasury Centre
- International Trade Finance Services Platform



Emerging Activities

- Global Fintech Hub
- Global inhouse centres
- International Bullion Exchange
- Aircraft Leasing & Financing
- Ancillary Services/Professional Service Providers

Overview - IFSC



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COMPETITIVE TAX REGIME

- 100% Tax Exemption (for 10 out of 15 years)
- Minimum Alternate Tax* @ 9%
- No CTT**/STT**/GST**/Stamp Duty
- No Capital Gain Tax
- Withholding tax @4% on interest paid on Debt Instruments
- Competitive AIF Tax Regime

* MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BAA of Income Tax Act, 1961

**CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax



IFSCA: New Regulatory Regime



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IFSC Regulations Benchmarked with International Best Practices

**IFSCA (Banking)
Regulations 2020**

**IFSCA (Bullion
Exchange)
Regulations 2020**

**IFSCA (Global In-
House) Regulations
2020**

**Regulatory Sandbox
Framework for
FinTech 2020**

**IFSCA (Issuance and
Listing of Securities)
Regulations, 2021**

**IFSCA (Finance
Company)
Regulations, 2021**

**IFSCA (Market
Infrastructure
Institutions)
Regulations 2021**

**Framework For
Aircraft Leasing and
Finance 2021**

**Framework for
Ancillary Services
2021**

**Framework for Global
Corporate Treasury
Centres in IFSC 2021**

**Framework for
setting up
International Trade
Financing Services
Platform (ITFS) 2021**

**IFSCA Banking
Handbook 2021**

**IFSCA (Capital
Market
Intermediaries)
Regulations, 2021**

**IFSCA (Registration
of Insurance
Business)
Regulations, 2021**

**IFSCA(Insurance
Intermediary)
Regulations, 2021**

GIFT IFSC: Key Number Highlights

International Financial Services Centre in GIFT City, Gujarat



₹ ≈2240 Cr.

Services export from IFSC from Oct. 2020 to July 2021

\$15 Bn

Stock Exchanges Avg. daily trading volume in August 2021 compared to \$ 3.4 Bn in Sept. 2020

\$117 Bn

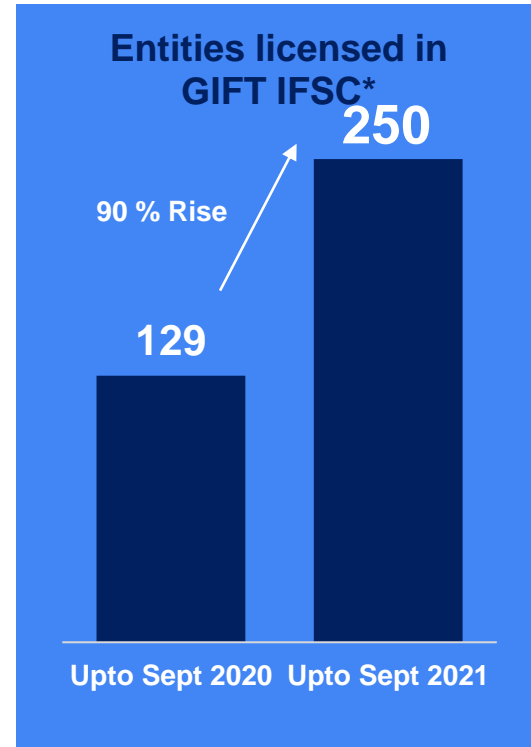
Total Banking transactions till September 2021 compared to \$ 45 Bn in Sept. 2020

\$117 Bn

Derivative transactions by IBUs till September 2021 compared to \$ 22 Bn in Sept. 2020

4500+

Employment in GIFT SEZ compared to 2500 + employment in Sept. 2020



*Including entities who have either applied to IFSCA or obtained SEZ IFSC approval

IFSC- Emerging Business Opportunities



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Global FinTech Hub

**International Bullion
Exchange**

**Alternate Investment
Funds (AIF)**

**Aircraft leasing &
Financing**

**Listing of Securities on
IFSC Exchanges**

Ancillary Services

**Global Inhouse Centers
(GIC)**

**Insurance &
Reinsurance business**

**Global Corporate
Treasury Centre**

**International Trade
Finance Services
Platform (ITFS)**

Finance Company

**Portfolio Management
Services (PMS)/
Investment Advisors**



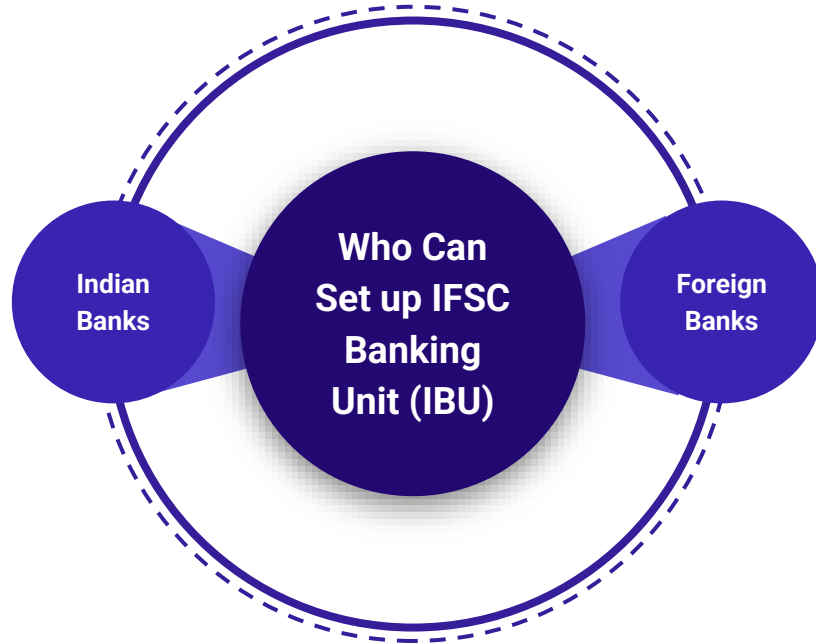
International Financial Services
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Opporunties for Japanese Investors

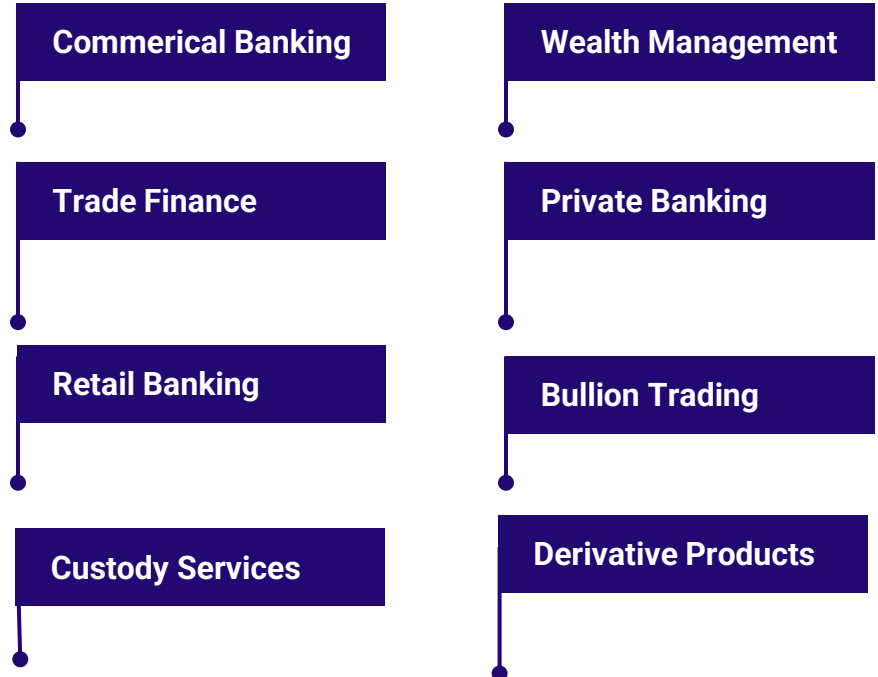


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Banking Opporunties



BUSINESS ACTIVITIES





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Insurance Opporunties

IFSC Insurance Business



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Permitted Entities in IFSC

1. Indian Insurer or Reinsurer
2. Foreign Insurer or Foreign Reinsurer
3. Branch office of Foreign Insurer or Llyod's India
4. A Public Company
5. An Insurance Co-operative Society
6. A Body Corporate
7. Society of Lloyds'
8. Managing General Agent (MGA)

BUSINESS ACTIVITIES

- Lower capital requirement for setting up an IFSC Insurance Office i.e. USD 1.5 Million
- Assigned Capital and Solvency to be maintained at Parent level
- IIOs can transact business within IFSC, from other SEZs, from outside India and from India under 2CB of Insurance Act
- Incase of branch of foreign reinsurer Eligibility with Lower Net Owned Funds requirement of Rs 1000 Crores (USD 137 Mn)
- Setting up of regional head quarters for Asian market
- 100% Tax holiday period extended to 10 years out of any 15 years. No GST on services rendered in IFSC or to an IFSC unit
- IIOs can issue foreign currency denominated policies



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Fund Administration Opporunties

Regulatory Conditions



Minimum Requirements

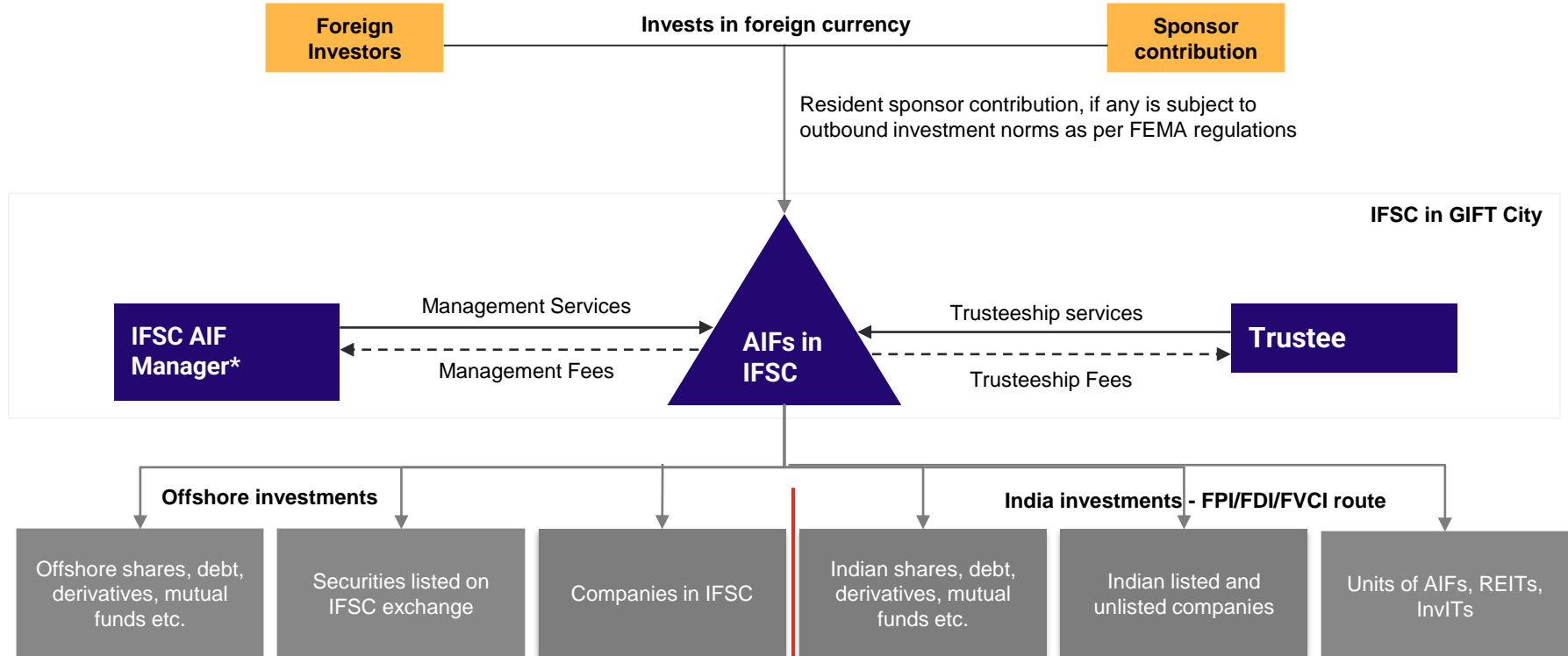
Particulars	Amount
Minimum corpus requirement for each scheme of the AIF	USD 3,000,000
Minimum investment by an investor in AIF <ul style="list-style-type: none">For employees or directors of the ManagerFor other investors	USD 40,000 USD 150,000
Number of investors per Scheme	Minimum 2; Maximum 1,000



Others

- Investment manager/ sponsor to have adequate experience, professional qualification and necessary infrastructure
- Schemes to be open ended or close ended
- Category III AIF permitted to take leverage subject to limits and investor consent
- Mandatory to appoint custodian for safekeeping of securities
- Raising of funds strictly on private placement basis
- Key documentation include PPM, trust deed/ LLP agreement, contribution and investment management agreement

Inbound investment - AIFs in IFSC



* IFSC Manager can act as a sponsor



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FinTech Opporunties

GIFT IFSC: Key Enablers for FinTech Hub



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01

Collaborate with Financial Institutions in GIFT IFSC

- Industry Exposure
- Funding Support
- Large Customer Base
- Problem Statement

02

IFSCA: Unified Financial Regulator

- Regulatory Sandbox Framework
- Fast-track Approvals
- Overseas Regulatory Collaboration

03

Access to Diverse Market

- Access Global Markets
- Access Domestic Economy
- Access market in IFSC

04

Access to Vast Talent Pool

- Access to Technology talent (STEM)
- Access to Financial talent
- Access to Business talent

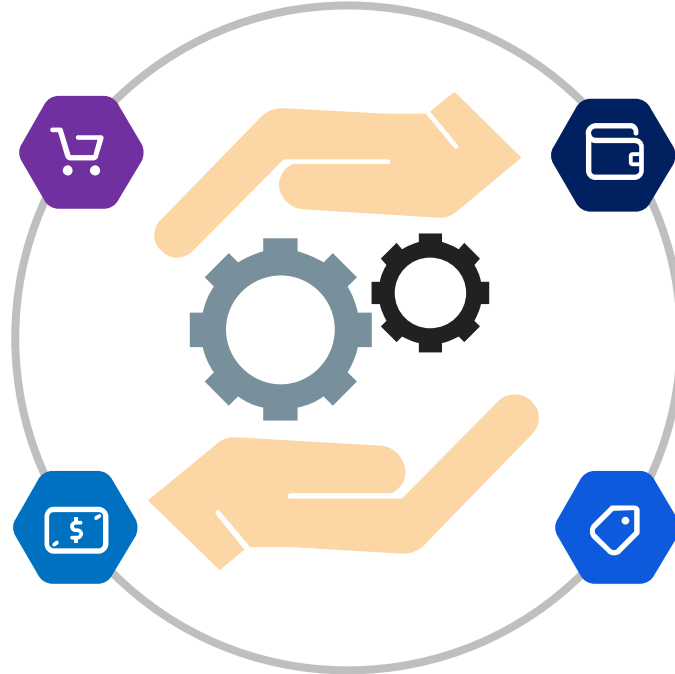
IFSCA: Proactive Support for FinTech Firms



International Financial Services Centres Authority (IFSCA)

Networking Support

- Connect early-stage Start-ups with Global and Domestic Investors
- Promote global tie-ups and collaboration with Angel Investors and VC Funds



Regulatory Support

- Fast track approvals and end to end facilitation
- Access to relevant Market Data

Mentoring Support

- Incubators and Accelerators to connect FinTech firms with technology experts and financial sector experts
- Promote peer to peer learning

State of Art Infrastructure

- Modern workstations with access to critical resources
- Establish world class FinTech Incubators and Accelerators

IFSCA: Framework for Regulatory Sandbox



International Financial Services
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With a vision of making GIFT IFSC a global hub for Fin-tech innovation and striving towards making it an attractive destination for global capital, IFSCA issued the Framework for Regulatory Sandbox in October 2020.

1



Regulatory Sandbox

- Eligible Entities operating in the capital market, banking, insurance and financial services space shall be granted certain facilities and flexibilities to experiment with FinTech solutions in a live environment with a limited set of real customers for a limited time frame.

2



Innovation Sandbox

- Innovation Sandbox will be a testing environment where FinTech firms can test their solutions in isolation from the live market, based on market related data made available by the Market Infrastructure Institutions (MIIs) operating in IFSC.



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