



GIFT IFSC

GLOBAL IN-HOUSE CENTRE (GIC)



THE NEW INDIA

Land of unlimited opportunities

- India is one of the fastest growing major economies in the world and has emerged as the **5th largest** economy on nominal GDP terms
- India is expected to have **600 Mn** Urban population by 2030
- India recorded **624 Mn** Internet users in January 2021
- India attracted highest ever total FDI inflow of **USD 82 Bn** during FY-21
- At **63rd position**, India jumped **79 position** in Ease of Doing Business between 2014-19
- **67%** of India's population is in the age group 15-64

Sector Highlights

BFSI



- Total Banking Assets in India are expected to cross **\$ 28.5 Tn in 2025**
- Digital payments market expected to reach **USD 1 Tn by 2023**
- Mutual Funds AUM is expected to grow **5X to USD 1.47 Tn by 2025.**
- The total premium income written for Life and Non-Life Insurance stood at over **\$108 Bn in FY-21**

FinTech



- With more than **25 Bn transactions**, India recorded the highest number of real-time online transactions across the globe in 2020
- India has the **3rd largest** FinTech ecosystem in the world and has emerged as the fastest growing FinTech markets
- The total valuation of India's FinTech industry was estimated at **USD 50-60 billion in 2020**
- The FinTech industry's total valuation is estimated to reach **USD 150-160 Bn by 2025**

IT-BPM



- IT & BPM sector contributes **8% to India's GDP**
- With a market size of **USD 191 Bn in 2020**, the sector is anticipated to reach **USD 350 Bn by 2025**
- India is home to the **3rd largest** Tech ecosystem in the world

Civil Aviation



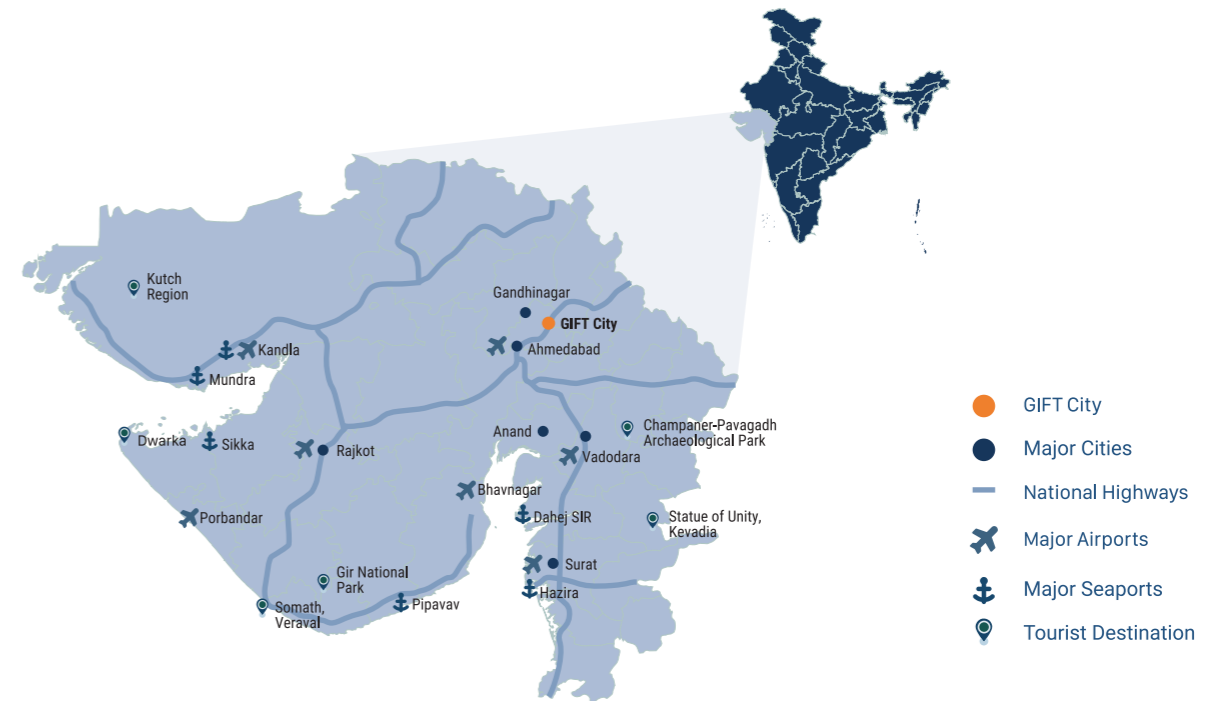
- India is the **3rd largest** domestic aviation market in the world
- India is amongst the fastest growing aviation markets and is expected to cater to **520 million passengers by 2037**
- India's commercial fleet is forecasted to expand to **1,100 by 2027**

Renewable Energy



- Indian renewable energy sector is the **4th** most attractive renewable energy market in the world
- As of **March 2021**, India's installed renewable energy capacity stood at **94.43 GW.**
- More than **USD 42 Bn** has been invested in India's renewable energy sector since 2014
- India has set a target of installing **175 GW** of renewable energy capacity by 2022 which would be scaled up further to **450 GW by 2030**

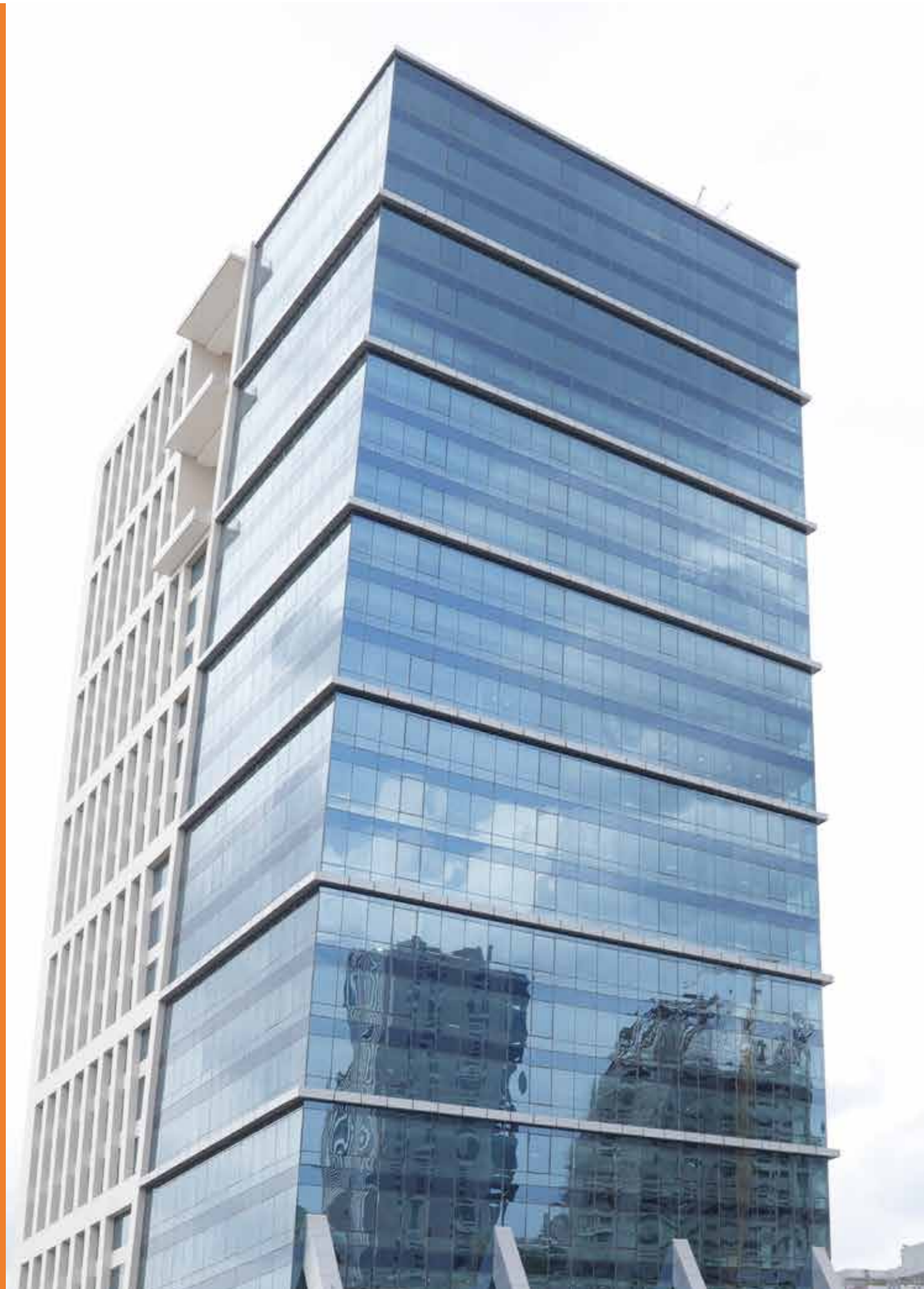
INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC) IN GIFT CITY, GUJARAT



GIFT CITY

Spread across 886 acres, Gujarat International Finance-Tec City (GIFT) consists of a Multi-Service Special Economic Zone (SEZ), which has been notified as India's maiden International Financial Services Centre, and an exclusive Domestic Tariff Area (DTA). An area of 261 acres has been demarcated as SEZ and an additional 625 acres has been demarcated as DTA. The city is situated on the banks of river Sabarmati and is strategically located between the business capital (Ahmedabad) and political capital (Gandhinagar) of Gujarat.

Conceptualized as a vertical city, GIFT city hosts state of the art infrastructure such as District Cooling System (DCS), Automated Waste Collection System (AWCS), and Underground Utility Tunnel. Such high-quality infrastructure has contributed in developing GIFT City as one of the world's leading Smart City.



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

The Government of India established International Financial Services Centres Authority under the International Financial Services Centres Authority Act 2019 passed by the Union Parliament.

The IFSCA has a statutory mandate to develop and regulate financial institutions, financial services, and financing products within the IFSCs in India. Government of India, with effect from October 2020, granted IFSCA the regulatory powers of four domestic regulators namely Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) for the IFSCs in India.

"We at IFSCA are committed to providing a comprehensive and consistent regulatory framework based on global best practices with a special focus on ease of doing business"

Injeti Srinivas
Chairperson, IFSCA

OVERVIEW OF IFSC

IFSC Business Activities



Asset Management

- Alternative Investment Fund
- Portfolio Manager
- Investment Advisers
- Wealth Management
- Custodial Services
- Mutual Funds



Capital Markets

- Stock Exchanges
- Clearing Corporation
- Depository
- Depository Participant
- Broker



Insurance

- Indian & Foreign Insurer
- Indian & Foreign Reinsurer
- Indian & Foreign Intermediaries



Emerging Business Segments

- Global In-House Centre
- International Bullion Exchange
- Aircraft Leasing and Finance
- Global FinTech Hub



Banking

- Indian Banks
- Foreign Banks



Other Financial Institutions

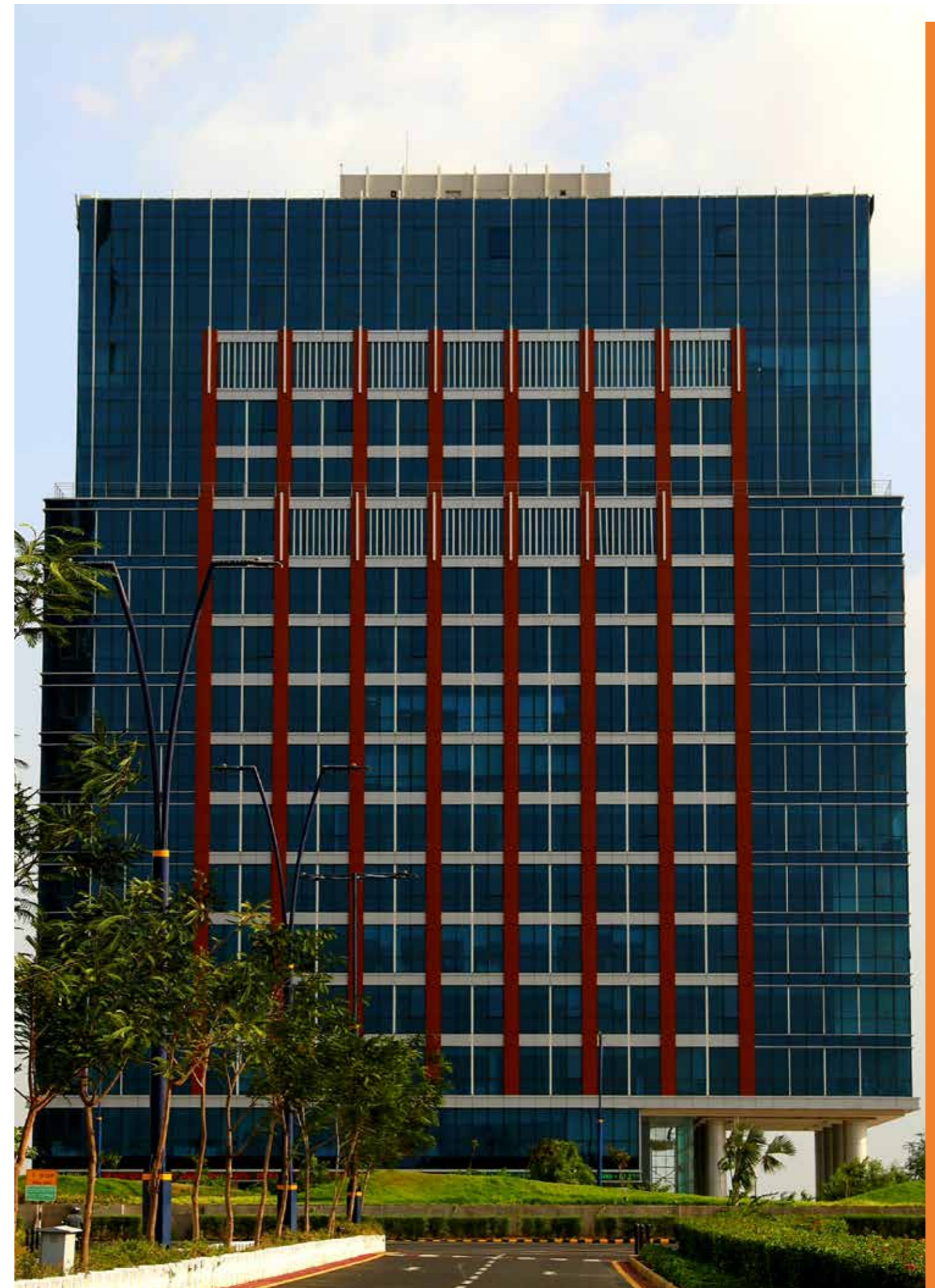
- Finance Company
- Global Corporate Treasury Centre
- International Trade Finance Services Platform



Professional Service Providers

- Asset Management Support Services
- Legal and Compliance Services
- Accounting and Auditing Services
- Consultancy Services
- Trusteeship Services*

*Other than Debenture Trusteeship Services





IFSC OPPORTUNITIES

- Access to large hinterland economy
- Access to international markets
- Connecting ~30 Mn strong Indian diaspora which has a combined net worth of ~USD 3 Tr to India through IFSC
- Inbound and outbound gateway for International Financial Services
- Potential to be a leading destination for Global In-house Centres with a globally competitive cost structure
- Attracting global talent to the world class FinTech Hub in GIFT City
- Emerging as a leading hub for Fund Administration

IFSC COMPETITIVE TAX REGIME

100%

Corporate Tax Exemption
(for 10 out of 15 years)

0%

Minimum Alternate Tax
(MAT)**

0%

Capital Gains Tax*

0%

Securities Transaction Tax (STT)/
Commodities Transaction Tax (CTT)

0%

Stamp Duty*

0%

Goods & Services Tax
(GST)

*On specified securities transferred on recognized stock exchanges in IFSC

**Concessional Rate of MAT applicable for the IFSC units at 9%, however MAT provision not applicable for companies opting for concessional tax rate under Sec. 115 BAA of the Income Tax Act, 1961

GLOBAL IN-HOUSE CENTRE (GIC)

IFSCA (Global In-House Centres) Regulation, 2020 was notified to provide a framework for recognition and operation of GIC in GIFT IFSC.

GIC in IFSC can provide support services, directly or indirectly, to entities within its financial service group, including the following:

- Banks, Non-banking financial companies
- Financial intermediaries
- Investment banks
- Insurance companies
- Re-insurance companies
- Actuaries
- Brokerage firms & Funds
- Stock exchanges
- Clearing houses
- Depositories & Custodians
- Other financial services notified by IFSCA, from time to time



GIC IN IFSC: SALIENT FEATURES

• Mode of conducting business

GIC Business can be setup as a Company or a LLP or a Branch or any other form of legal entity.

• Permitted Currency

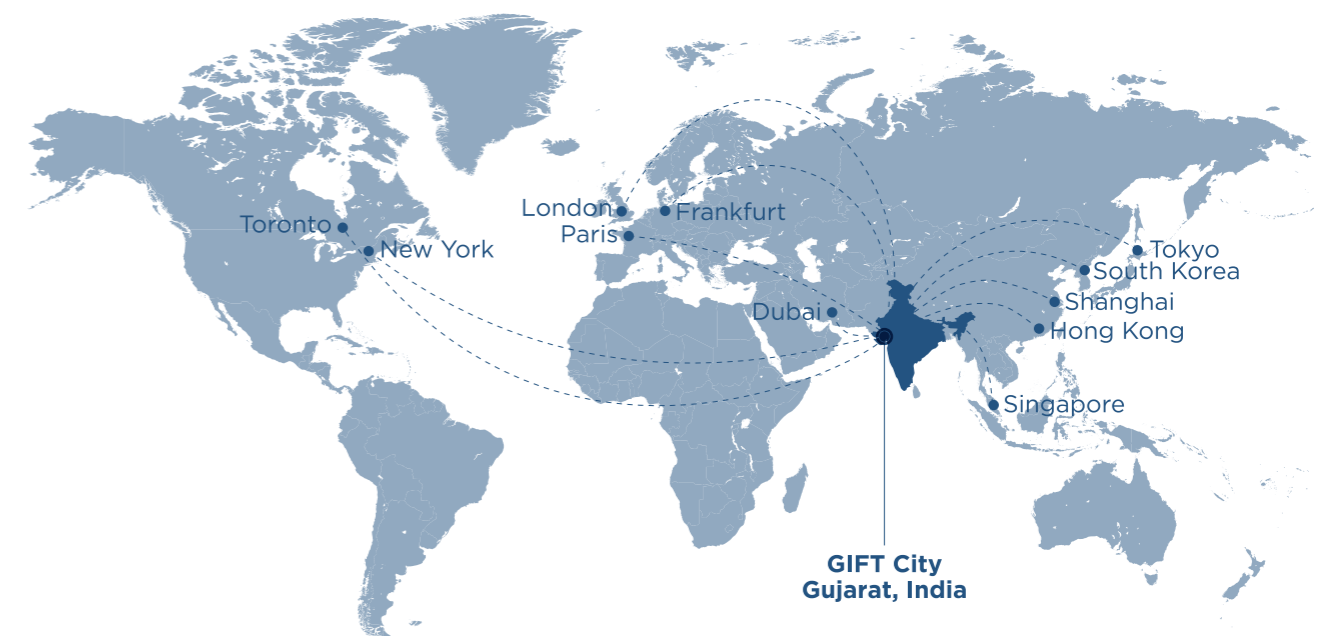
A Global In-House Centre shall deal in freely convertible foreign currency only. However, it may defray its administrative expenses in INR by maintaining an INR account as may be specified by the Authority.

• Eligibility Criteria

An entity belonging to a financial services group can set up a GIC in IFSC. The support services should be for the purpose of carrying out a financial service in respect of a financial product

• Permissible Activities

The applicant entity shall exclusively cater to its financial services group and GIC shall provide services to non-resident entities only.



KEY BENEFITS FOR GIC IN IFSC

01

Lower operating costs

03

Availability of skilled talent pool

05

GIFT City is India's first fully operational greenfield Smart City

07

State of art physical and social infrastructure

02

Competitive tax regime

04

Special incentives for GIC Industry

06

Ease of living

08

Robust Air, Rail and Road connectivity

SETTING UP GIC UNIT IN GIFT IFSC

GIC may conduct business as company/branch/any other mode permitted by IFSCA



Submission of application for SEZ approval

Submission of registration application to IFSCA



Grant of SEZ approval

Grant of registration by IFSCA



Commencement of business by GIC unit

Disclaimer:

The information contained in this brochure is to give holistic view on financial services markets in GIFT IFSC. While all efforts have been taken to make this brochure as authentic as possible, please refer the print versions, notified Gazette copies of Acts/Rules/Regulations/Circulars issued by the IFSCA or Government India. The IFSCA shall not be responsible for any loss to any person/entity caused by any defect or inaccuracy inadvertently or otherwise stated in this brochure.



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