



International Financial Services  
Centres Authority (IFSCA)



## International Trade Finance Services Platform

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# The India Opportunity



# Maximising the India Opportunity

*Fastest Growing Large Economy & Stable Democracy*

## Key Achievements

- GDP currently at USD 3.94 Tn
- Exports of USD 779 Bn in FY23-24



High Real GDP Growth Rate of  
**8.2% FY 23-24**



5th largest economy;  
**To be 3rd largest by FY28**



Gross FDI inflows reached  
**USD 70.09 Bn in FY 24**

## Key Achievements

- 77 years of Democracy
- Strong Institutions – Parliament, Media, Judiciary



Youngest population : 65% of  
population under **35 years of age**



Average real income of citizens has  
**increased by 50%** in the last decade



Manufacturing sector contributed  
**15%** to Nominal GVA in Q4, FY 24

# Viksit Bharat@2047 – Developed India@2047

*Inclusive Sustainable Growth for the World's Largest Democracy*



**USD 35 Trillion**  
*Projected Economy*



Potential Growth of 7+% over next 25 years



Per Capita Income to grow 9x to ~USD 22,000



Industry share to rise from 17% → 25% of GDP



Exports to grow x5 to USD 8 Tn. by 2047



Net Zero Transition by 2070: USD 10 Tn

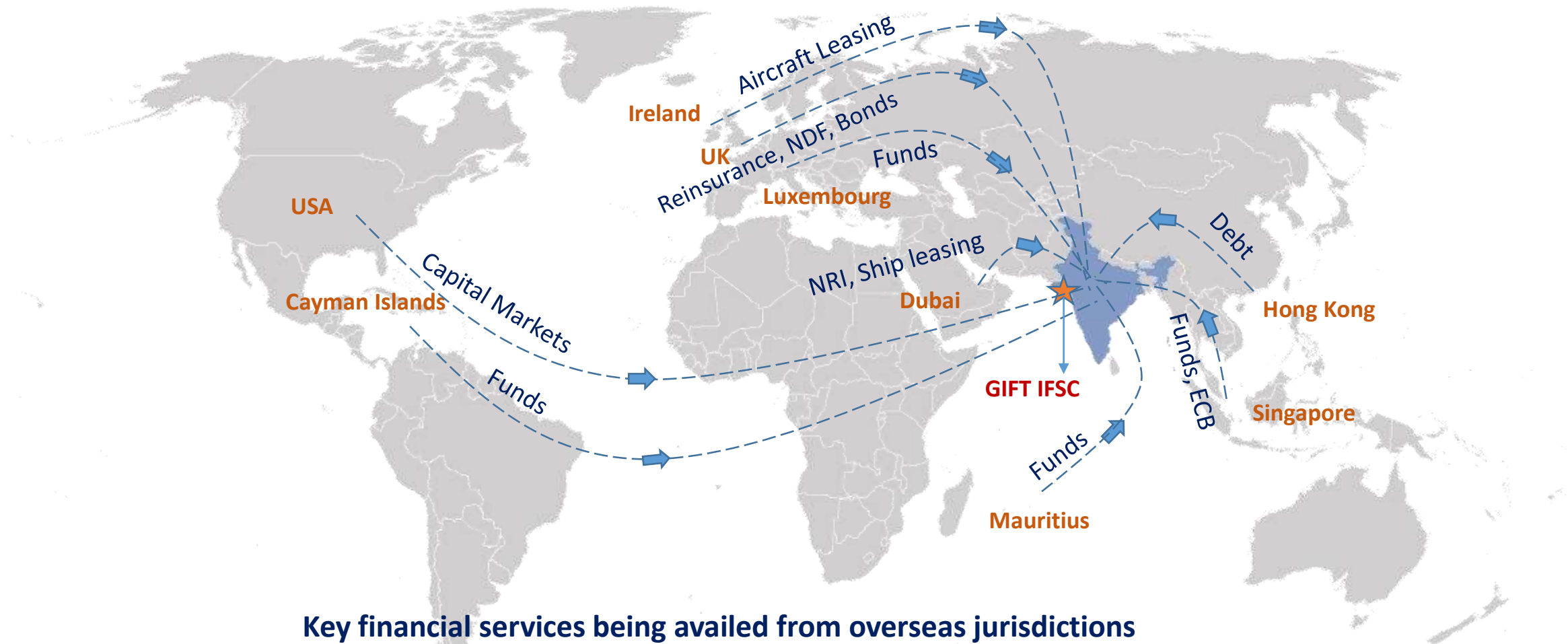
# GIFT City and IFSC Opportunity

5.41



# IFCs catering to India's demand for International Financial Services

## GIFT IFSC: Onshoring the Offshore International Financial Services



**Banking Services:** ECB, Trade Finance, Non-Deliverable Forwards & Loan syndication

**Funds Industry:** Pooling of global capital by Pvt. Equity/ VC Funds/ Hedge Funds for investments into India

**Capital Mkts:** Issuance & listing of Bonds including ESG bonds, trading of Indian securities & products

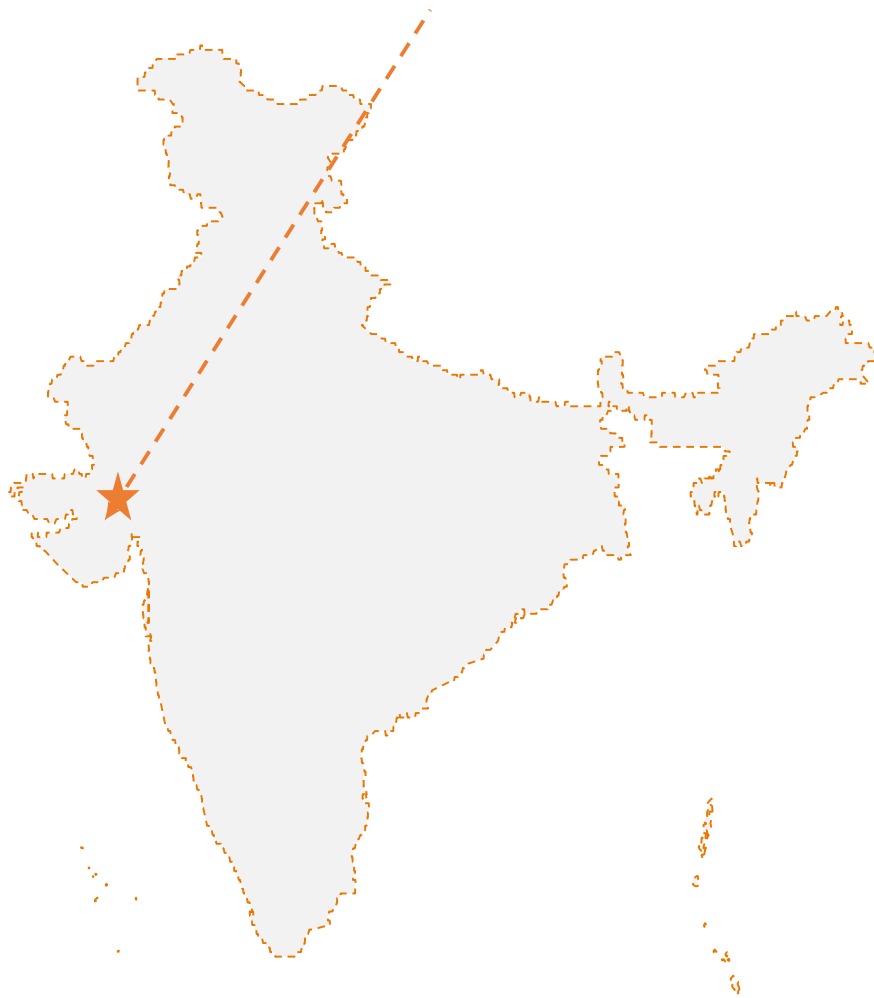
**Insurance:** Reinsurance business  
**Aircraft & Ship Leasing** business

# Objectives of GIFT IFSC

- 1 Onshore international financial services business from offshore centres such as Singapore, Hong Kong, Dubai, London, etc.
- 2 Serve as a dominant gateway for channelizing global capital for **Viksit Bharat @ 2047**
- 3 Develop expertise in niche and specialized businesses such as aircraft & ship leasing, fintech, global treasury centres, commodity trading, etc.
- 4 Provide high quality employment opportunities to the talented Indian workforce

# GIFT City and IFSC

## India's 1st Operational Smart City & IFSC



27.70 Mn Sq ft

Total development  
rights allotted

12.99 Mn Sq ft

Area under  
development

20

Number of Operational  
Buildings

GIFT City is divided into two zones:

- a. Special Economic Zone (IFSC Zone)
- b. Domestic Tariff Area (Domestic area)

Greenfield smart city

Land parcel size: 886 acres

Social Infra – Hotels, Hospitals, Schools, etc

‘Walk to work concept’ – Residential & Riverside

# Vision for GIFT IFSC



Hon'ble Prime Minister of India  
**Sh. Narendra Modi**

“We want to make GIFT City the Global Nerve Center of **New Age Global Financial and Technology Services**”

“GIFT IFSC's **cutting-edge digital infrastructure** provides a platform that enables businesses to increase efficiency”

“GIFT City is an important gateway to **connect India with global opportunities...**”

# Jurisdictional Comparison

| Jurisdiction | Foreign jurisdiction<br>(rest of the world) | IFSC SEZ<br>(India)                  | India DTA<br>(India) |
|--------------|---------------------------------------------|--------------------------------------|----------------------|
| FEMA         | Offshore Non-Resident                       | Offshore Non-Resident                | Onshore Resident     |
| Currency     | Respective<br>Int'l Currency                | 15 Currencies<br>(INR Not Permitted) | INR<br>denominated   |
| Tax          | Offshore                                    | Tax Holiday<br>(Tax Resident)        | Taxes as applicable  |
| Law          | Resident's Jurisdiction                     | Indian Jurisdiction                  | Indian Jurisdiction  |

# GIFT IFSC: Unique and Distinct Features



Dedicated & Unified  
Financial Regulator

No capital controls

Full Convertibility with  
15 foreign currencies

Globally benchmarked  
regulations

Attractive Tax Regime

Sovereign support,  
including carve outs



## Competitive Advantage

- Access to large hinterland Indian economy (**Hinterland advantage**)
- Beneficial cost of operations (**Cost advantage**)
- Availability of skilled talent pool (**Talent advantage**)

# Competitive tax regime

1

Tax Holiday on Business Income for 10 out of 15 years

2

Minimum Alternate Tax\* @ 9%

3

No CTT\*\*/STT\*\*/GST\*\*/Stamp Duty

4

Reduced Withholding Tax of 9% on interest paid on Debt Instruments

5

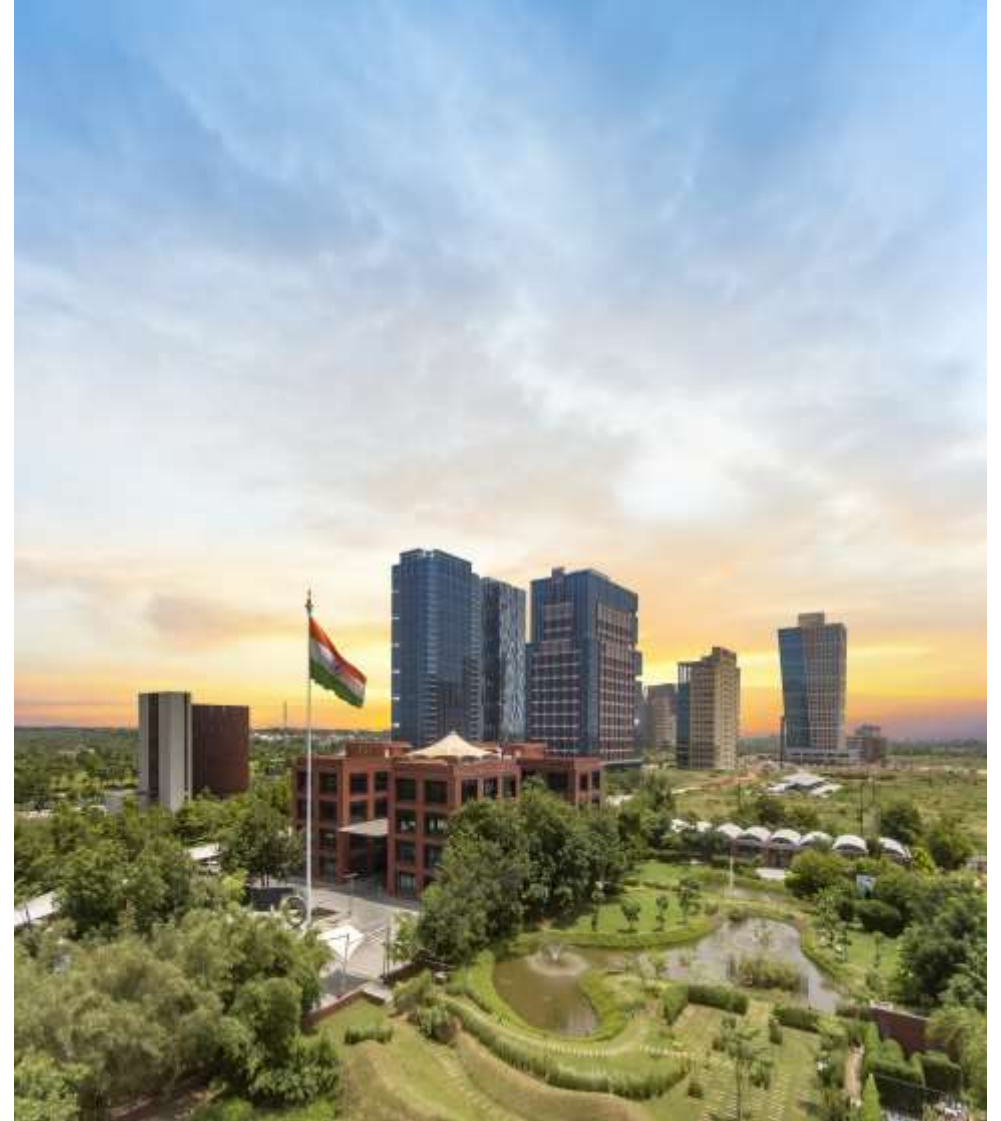
Competitive Tax Regime for Funds

6

Incentives under Gujarat IT/ITeS Policy (2022-27)

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

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



# IFSC: Business activities

## Banking

- Indian Banks (16)
- Foreign Banks (12)
- Global Administrative Office (1)
- Rep. Offices

## Capital Market

- Stock Exchanges (2)
- Clearing Corporation (2)
- International Depository (1)
- Broker Dealers (82)
- Investment Bankers (3)
- Custodians (5)
- Depository Participants (10)
- Clearing members (22)

## Asset management

- Fund Management Entities (137)
- Alternate Investment Funds (189)
- Investment Advisers (3)
- Portfolio Managers (19)
- Distributors (10)

## Insurance

- Indian & Foreign Insurer (12)
- Indian & Foreign Reinsurer (3)
- Insurance Intermediaries (24)
- Insurance Web-Aggregators

## Niche Institutions

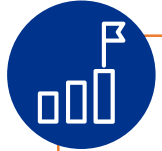
- International Bullion Exchange
- Finance Companies (6)
- Global Treasury Centre (3)
- ITFS Platform (4)
- Aircraft Leasing & Financing (32)
- Ship Leasing & Financing (21)

## Emerging businesses

- Foreign Universities (2)
- Global Fintech Hub (57)
- Global in-House Centres (3)
- Professional Service Providers (83)
- Payment Service Providers (2)
- BATF Service Provider

*Figures in brackets are the number of entities authorized by IFSCA*

# Business Highlights: GIFT IFSC



725 +

Number of IFSCA Registered\* Entities till Nov. 2024



\$ 87 Bn

Monthly turnover on IFSC International Stock Exchanges in Nov. 2024



\$ 71 Bn

Total Banking Asset Size in Nov. 2024



137

Number of Funds Management Entities registered till Nov. 2024



\$ 63 + Bn

Cumulative Debt Listing on IFSC Exchanges till Nov. 2024



\$ 1048 Bn

Cumulative Banking transactions till Nov. 2024



184

Aviation Assets leased from IFSC till Nov. 2024



\$ 45 + Bn

Total targeted corpus of Alternative Investment Funds till Nov. 2024



\$ 40 Bn

Derivative Transactions booked by banks in Nov. 2024

# Key highlights from guidelines on Setting up and operation on ITFS platform

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## ❑ **Applicability:**

- To ITFS operators registered with IFSC prior to the issuance of the new guidelines issued on December 23, 2024.
- To an entity desirous of seeking registration as an ITFS operator in IFSC, and
- To the participants in an ITFS

## ❑ **Mode of business:**

- An Entity desirous of setting up as an ITFS operator shall be set up in the form of a newly incorporated company under the Companies Act, 2013
- The applicant's parent entity should have at least three years of experience in operating trading infrastructure in financial markets or operating a financial technology (fintech) platform.

## ❑ **Technical criteria:**

- An entity desirous of setting up an ITFS shall have sound technological infrastructure such as electronic platform for all participants, Management Information System (MIS) , and online surveillance capability to monitor positions, prices and volumes in real time to support its operations.

## ❑ **Capital Requirement:**

- Shall meet the minimum owned fund requirement of USD 0.2 million at all times.

# Key highlights from guidelines on Setting up and operation on ITFS platform

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## ❑ Permissible Activities:

- Acts as a facilitator for transactions relating to
  - ✓ Factoring
  - ✓ Reverse Factoring
  - ✓ Bill discounting under Letter of Credit
  - ✓ Supply chain Financing
  - ✓ Pre-shipment Credit
  - ✓ Forfeiting any other activity as permitted by the Authority
- It can undertake Secondary Market transactions for the above products.
- Undertake any permitted activity, with prior permission from the Authority.
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## ❑ Participants

- ✓ Exporters
- ✓ Importers
- ✓ Financiers
- ✓ Insurance/Credit Guarantee Institutions
- ✓ Payment Service Providers (PSP) or any other entity permitted by the IFSCA.

# Key highlights from guidelines on Setting up and operation on ITFS platform

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## ❏ Principles of Operations:

(1) ITFS operator shall ensure that financiers on-boarded as participants satisfy the following criteria:

- ✓ Assets Under Management (AUM) or gross loans and advances made in the current or previous financial year shall be a minimum of USD 5 million;
- ✓ at least USD 5 million of capital;
- ✓ Proven capability for credit/debt recovery and credible management team with credit and collection experience;
- ✓ Must be an incorporated entity carrying out the business of factoring, which along with its shareholders, shall be from a FATF-compliant jurisdiction.

(2) The ITFS operator should comply with the following criteria:

- ✓ Applicable provisions of the IFSCA (AML, CFT and KYC) Guidelines, 2022;
- ✓ Enable transparent bidding on the platform.
- ✓ It shall not assume any credit risk on the transactions carried out on its platform;
- ✓ Legal proceedings initiated by the financier/s or the participant/s shall be outside the purview of the ITFS.
- ✓ It may connect with any other electronic platform/market infrastructure, with prior approval
- ✓ Shall establish a Complaint Handling and Grievance Redressal mechanism

# Key highlights from guidelines on Setting up and operation on ITFS platform

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## ❑ Risk Management:

- An ITFS operator shall put in place a comprehensive risk management framework covering all aspects of its operations.

## ❑ Outsourcing:

- The ITFS operator may tie up with technology providers, system integrators and other entities for on-boarding participants.

## ❑ Currency of operations:

- The ITFS Operator shall maintain its books of accounts, records and documents in USD.
- Transactions on the ITFS may be settled in any specified foreign currency.
- ITFS operator may open SNRR account under the provisions of section 1 of schedule 4 of the Foreign Exchange Management (Deposit) Regulations, 2016, as amended.

## ❑ Clearing and Settlement:

- An ITFS operator intending to provide clearing and/or settlements of fund shall seek authorization from IFSCA as a payment system operator under the IFSCA (Payment and Settlement Systems) Regulations, 2024.

# Setting up a ITFS entity in IFSC

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