IFSCA-LPRA/9/2024-Legal and Regulatory Affairs August 10, 2026

CIRCULAR

To,

All the Regulated Entities in the International Financial Services Centre (IFSC)

Dear Sir/Madam,

Subject: Directions to all Regulated Entities

As you are aware, holding a valid and subsisting Letter of Approval (hereinafter referred to as "LoA") issued under the Special Economic Zones Act, 2005, is a condition precedent for an entity to seek registration, license, recognition, authorisation, permission, approval or any equivalent document (hereinafter collectively referred to as "Regulatory Instruments") from the Authority and for undertaking any permissible activity in the IFSC.

2. In this context, you may also be aware that –

(a) an LoA remains valid either for a period of one (1) year in the case where the entity has not commenced the business, or for a period of five (5) years in the case where the entity has commenced the business, as the case may be, and that in terms of Rule 19 (6A) of the Special Economic Zones Rules, 2006, an application for renewal of the LoA is to be filed with Administrator (IFSCA), at least two (2) months prior to the date of its expiry; and

(b) a Regulatory Instrument, once issued to the Regulated Entity, may either be perpetual or valid only for a specified period mentioned thereon.

3. It has been observed that certain Regulated Entities continue to undertake business activities in the IFSC without holding valid and subsisting –

   (a) LoA; and/or
   (b) applicable Regulatory Instrument(s).

4. In view of the foregoing, it is hereby directed that all Regulated Entities shall, at all times, ensure that they –

   (a) hold valid and subsisting LoA and applicable Regulatory Instrument(s); and
   (b) do not undertake any business activities without holding valid and subsisting LoA and applicable Regulatory Instrument(s).

5. In view of the above, all Regulated Entities are advised to ensure strict compliance with the directions of this Circular to avoid any operational disruptions or regulatory sanctions, as any breach of these directions shall constitute the violation of the relevant provisions of the International Financial Services Centres Authority Act, 2019, Special Economic Zones Act, 2005, and the rules or regulations made thereunder, making them liable for appropriate penal/enforcement action including financial penalty, suspension or cancellation of their Regulatory Instrument(s), in accordance with the applicable laws.

6. This Circular is issued in exercise of the powers conferred under sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, in supersession of the Circular titled "*Direction for all Regulated Entities*", dated April 03, 2025, and shall come into force with immediate effect.

A copy of this Circular is available on the website of the International Financial Services Centres Authority at www.ifsca.gov.in.

Yours faithfully,

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Chief General Manager

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