INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

e-file No. IFSCA-FMPP0BR/1/2024-Banking/2026-27/01 August 12, 2026

Consultation paper on proposed amendments to the IFSCA Banking Handbook on General Directions

Objective:

1. The objective of this consultation paper is to seek comments/views/suggestions from the public on the proposed amendments to the 'IFSCA Banking Handbook - General Directions'.

Background:

2. Para 3 (Governing Body) of Module 2 (Governance Directions) of the IFSCA Banking Handbook – General Directions (V 5.0) requires the Governing Body of an IBU to meet at least once every quarter. Further, para 3 of Module 3 (Controlled and Designated Functions) of the said Handbook specifies the positions in respect of an IBU that are required to be held by an Approved Individual at all times.

3. Based on the results of supervisory assessments of IBUs with respect to compliance with the above requirements, it is felt that detailed specifications for compliance with the said requirement may be warranted.

4. Accordingly, it is proposed to undertake suitable amendments to the IFSCA Banking Handbook - General Directions. The proposed amendments are set out in the circular placed at **Annexure I** to this consultation paper.

5. The general public and stakeholders are requested to forward their comments/suggestions on the proposed circular, by e-mail to Mr. Lobhas Khairnar, Manager, IFSCA at lobhas.khairnar@ifsca.gov.in and Mr. Nishil Ramit Patel, Consultant, IFSCA at nishil.patel@govcontractor.nic.in on or before **September 1, 2026**, in the format given below. The comments may be provided in MS Word or MS Excel only.

Format for providing comments / suggestions:

<table>
<tr><td colspan="3">Name, Designation of the Person</td><td colspan="2"></td></tr>
<tr><td colspan="3">Contact No.</td><td colspan="2"></td></tr>
<tr><td colspan="3">Name of Organization</td><td colspan="2"></td></tr>
<tr><td>Page No. of Public Consultation</td><td>Para No.</td><td>Sub Para No.</td><td>Comments/Suggestions/Suggested Modifications</td><td>Rationale</td></tr>
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Annexure I

DRAFT CIRCULAR

To,

All IFSC Banking Units (IBUs)

Madam/ Sir,

Subject: Amendments to the IFSCA Banking Handbook - General Directions

1. Reference is drawn to the International Financial Services Centres Authority (Banking) Regulations, 2020, and the circulars/directions issued thereunder, in particular the directions contained in the *IFSCA Banking Handbook – General Directions- V 5.0* in relation to staffing requirements and Governing Body meetings.

2. In this regard, it has been decided to amend the aforementioned directions as under:

(A) After point no. 4 of para 3 of Module no. 2 titled "Governance Directions", the following point shall be inserted, namely:

"*5. IBUs shall ensure that at least two (2) quarterly meetings of the Governing Body are held in physical mode in the IFSC:*

Provided that where any member(s) of the Governing Body is located outside India, such member(s) may participate in such meetings through video conferencing."

(B) For sub-point (a) of point (i) of para 3 of Module no. 3 titled "Controlled and Designated Functions", the following shall be substituted, namely:

"*The Banking company shall make the following appointments with respect to an IBU and ensure that they are held by an Approved Individual at all times:*

(i) CEO/Head – IBU;

(ii) Compliance Officer;

(iii) Risk Officer – who shall report to the head of the IBU administratively and to the Governing Body functionally, and be responsible for, inter-

alia, overseeing the IBU's risk management function and ensuring that risks are properly identified, assessed, and managed:

Provided that the Risk Officer shall be appointed by an IBU in case of the following circumstances:

I. *outstanding advances of the IBU exceed USD 2.5 Bn, or its equivalent in any specified foreign currency, as on March 31st of the previous financial year; or*

II. *total investments of the IBU exceed USD 2.5 Bn, or its equivalent in any specified foreign currency, as on March 31t of the previous financial year; or*

III. *derivatives portfolio with notional turnover of the IBU exceeds USD 5 Bn, or its equivalent in any specified foreign currency, during the previous financial year;*

(iv) such other role or function as the Authority may direct from time to time."

3. This Circular is issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, and shall come into force with immediate effect.

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

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