



Consultation Paper for issuing Circular on Foreign Currency Settlement System (FCSS) to International Banking Units (IBUs) in GIFT IFSC

A. Objective of the Consultation paper

The FCSS was launched on October 7, 2025, to provide efficient real time fund transfer mechanism in GIFT IFSC. The system operations are now stabilised, and we are witnessing increased interest and requests from stakeholders regarding FCSS.

Accordingly, a draft circular prescribing certain adherence related to FCSS for IBUs is prepared and placed at Annexure-I. Vide this consultation paper The Authority ("IFSCA") seek comments from public and stakeholders on the proposed draft.

B. Draft Circular and Proposal for Public Comments

1. The comments on the draft circular may be sent by email to Mr. Akileshwaran N, Manager, IFSCA at akileshwaran.n@ifsc.gov.in with a copy to Mr. Pavan Jindam, Deputy General Manager, IFSCA at pavan.jindam@ifsc.gov.in latest by July 24, 2026.
2. The comments may be provided in the following format (MS Word or MS Excel only):

Name, Designation of the Person			
Contact No.			
Name of Organisation			
Sr. No	Paragraph No of the Draft circular	Comments/Suggestions along with revised Clause in line with the suggestion	Detailed rationale along with information

Issued on July 7, 2026.

CIRCULAR

E.File.No. XXX

July XX, 2026

**To,
All IFSC Banking Units**

Dear Sir/Madam,

Foreign Currency Settlement System (FCSS)- Instruction to member IBUs

The FCSS was launched on October 7, 2025, to provide a safe, secure, and efficient fund transfer mechanism among IBUs and obviating the need of using the corresponding banking route to settle inter-IBU transactions.

2. The operations of the FCSS have now stabilised and the system is able to settle USD transactions among the member IBUs within 5-6 seconds.

3. To ensure that the FCSS system is used to its fullest capacity and to ensure that customers of IBUs are made aware of and are able to obtain the benefits of the FCSS, the Authority hereby issues the following instructions:

- i. IBUs that are members of FCSS ("Member IBUs") shall settle their inter-bank transactions with other member IBUs only through FCSS.
- ii. Member IBUs shall make their customers aware of the ability to make and receive payments in IFSC in USD in real time through online and offline channels. Indicative contents of such message is included in the Annexure-II to this circular.
- iii. IBUs that are members of FCSS shall publicise the availability of the FCSS in their product sheets and websites and provide their customers the choice of making payments through FCSS on the internet-banking and/or other customer facing interfaces used by the customers to initiate transactions.

- iv. For customer transactions made through FCSS, the recipient member IBU must credit the customer's account within one hour of citing credit in their FCSS Settlement Ledger Account.
- v. The IBUs yet to onboard on FCSS are advised to expediate the onboarding process and complete the activity in time bound manner.

4. The above instructions are issued under of the Payment and Settlement Systems Act, 2007 read with sub-section 1 of Section 12 and sub-section 1 of Section 13 of the International Financial Services Centres Act, 2019.

Indicative contents of message to customers of member IBUs about FCSS

1. FCSS enables real-time gross settlement (RTGS) across FCSS participating IBUs, supporting faster and more efficient transaction processing. Other benefits of FCSS including:
 - Real-time USD settlement within GIFT IFSC
 - Elimination of multi-leg correspondent banking routes
 - Faster turnaround and improved transaction efficiency
 - Enhanced liquidity management for cross-border flows
 - Greater transparency and control over settlement
2. XXX Bank's GIFT City IBU provides access to the Foreign Currency Settlement System (FCSS) operated by CCIL IFSC, enabling an accelerated pathway for settlement of USD transactions within GIFT IFSC.
3. List the steps to initiate a transaction using FCSS from the internet-banking and/or other customer facing interfaces of the IBU.
4. List the participant banks that are members of the FCSS and their GFCS code (to be regularly updated). The current list of members and their GFCS code may be found at www.ccilifsc.co.in/services
5. Transactions windows and cut-offs for submitting transactions to the IBU for being processed through FCSS.
6. Charges to be levied by the IBU for settling transactions through FCSS.

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