



# FUND MANAGEMENT

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## GIFT-IFSC

# VISION

## Building a Gateway to Global Capital

*"The vision for GIFT City has been crafted as a dynamic ecosystem that will redefine the landscape of international finance. It will set new benchmarks for innovation, efficiency, and global collaboration."*

- Hon'ble Prime Minister,  
Shri Narendra Modi



*"GIFT IFSC and the unified regulatory authority, IFSCA, are creating a robust gateway for global capital and financial services for the economy"*

- Hon'ble Finance Minister,  
Smt. Nirmala Sitharaman

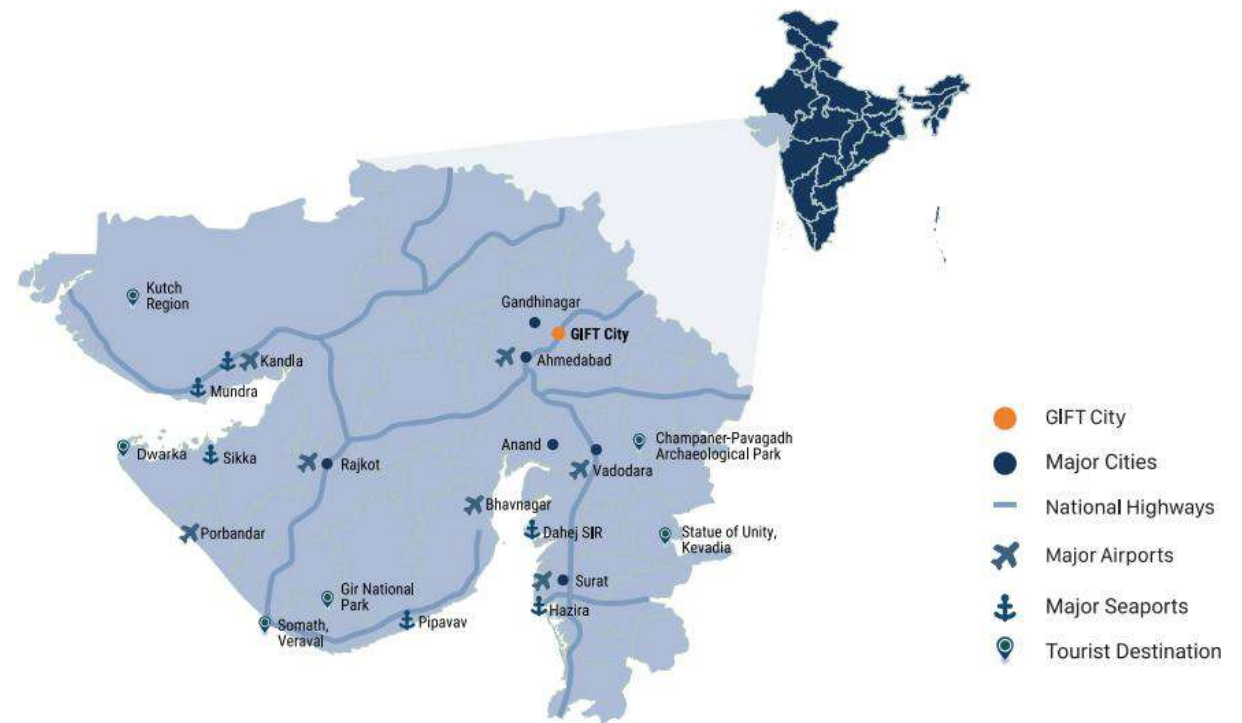


## THE NEW INDIA

### Land of unlimited opportunities

- India is one of the fastest growing major economies in the world and has emerged as the **4th largest** economy in nominal GDP terms
- At **USD 135 Bn** in FY 25, India is the largest recipient of foreign remittances from diaspora
- India attracted total FDI inflow of **USD 81.04 Bn** during FY 25
- **67%** of India's population is in the age group 15-64
- Over **1.61 Lakh startups** as of January 31, 2025

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



## GIFT CITY

- Gujarat International Finance-Tec City (GIFT City) is a world-class business district envisaged and built to cater to global and domestic business enterprises. GIFT City is not only a flagbearer for smart cities in India but also sets an international benchmark for finance and technology hubs worldwide.
- GIFT CITY is the central pillar of the tri-city approach, located on the banks of the Sabarmati River between Ahmedabad and Gandhinagar, each 30 minutes away from one other. Each city provides a distinct supportive ecosystem.
- Spread across 886 acres, GIFT City consists of a Multi-Service Special Economic Zone (SEZ), which has been notified as India's maiden International Financial Services Centre (IFSC), 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.
- GIFT City is conceptualized as a vertical city, which hosts state-of-the-art infrastructure such as District Cooling System (DCS), Automated Waste Collection System (AWCS), and Underground Utility Tunnel (UUT). Such high-quality infrastructure has contributed to developing GIFT City as one of the world's leading Smart City.



# INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

IFSCA has been established under an act of parliament i.e. the International Financial Services Centres Authority Act, 2019. It is headquartered at GIFT City, Gandhinagar in Gujarat.

IFSCA is a unified regulatory authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. At present, the GIFT IFSC is the maiden international financial services centre in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC.

*“India stands at the forefront of global growth, powered by a resilient economy, an entrepreneurial spirit, and a strong policy framework. As the nation further strengthens its position as one of the fastest-growing major economies, IFSCA is committed to complementing this momentum by offering a fund management regime which ensures robust measures for protection of investors' interests, while also facilitating ease of entry, regulatory and tax certainty, operational flexibility and international connectivity for the Fund Managers. The ecosystem is rapidly growing and GIFT IFSC is steadily emerging as a trusted centre for diverse fund management activities.”*

**Shri K. Rajaraman**  
Chairperson, IFSCA



# FUND REGIME IN IFSC - SNAPSHOT



# EVOLUTION OF REGULATORY LANDSCAPE FOR FUNDS

## Angel Scheme

A dedicated regulatory framework for Angel Schemes was instituted by IFSCA vide Circular dated July 01, 2022.

## Disclosures

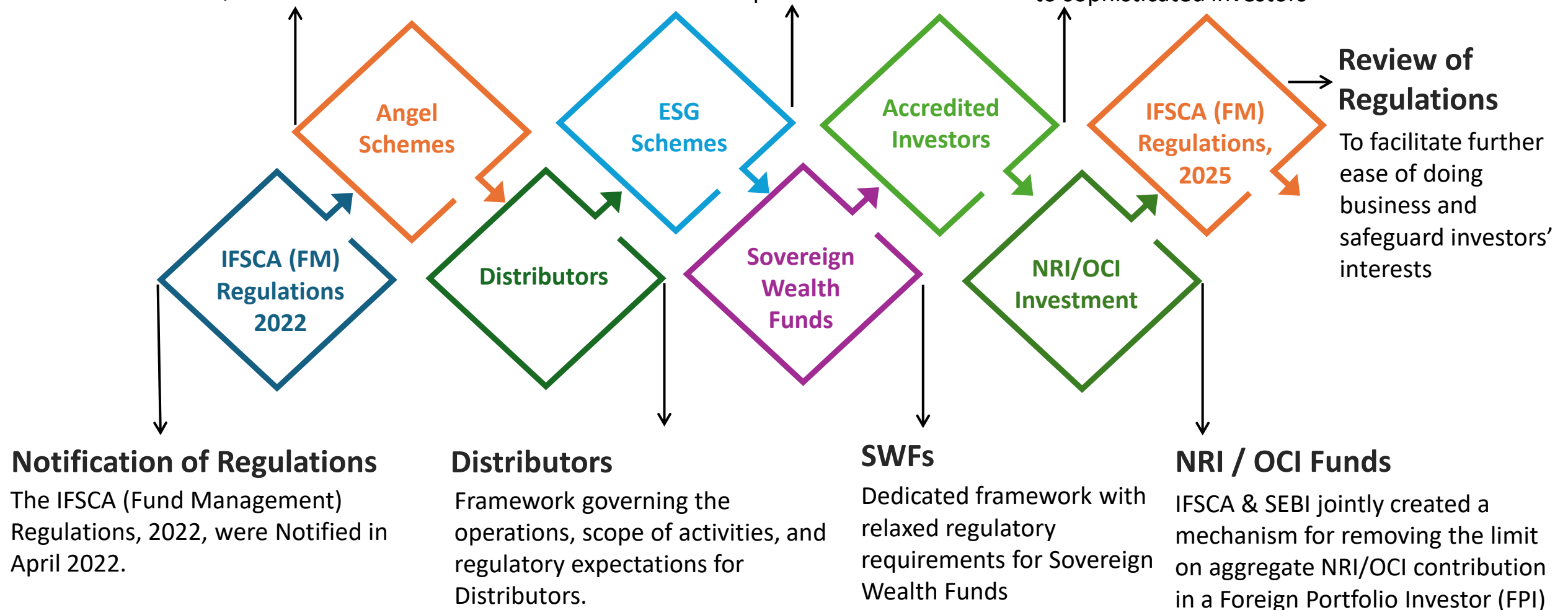
Mandatory Initial and periodic disclosures aligned with international best practices

## Ease of Investing

A detailed framework for Accredited Investors to provide ease of investing to sophisticated investors

## Review of Regulations

To facilitate further ease of doing business and safeguard investors' interests





# POLICY MEASURES

## Sovereign Wealth Funds

- Dedicated regulatory framework created for SWFs giving carve-outs from several regulatory conditions, considering their unique nature.
- Operational flexibility and ease of operations for SWFs.
- Regulatory dispensation is complemented by conducive taxation.

## Accredited Investors

- Introduced to provide ease of investing for sophisticated investors.
- Greater operational flexibility for FMEs dealing with the accredited investors.
- Detailed eligibility criteria and regulatory framework provided.

## NRI/OCI Investments

- **India:** largest diaspora, global leader in remittances.
- **IFSCA & SEBI collaboration** → seamless conduit for NRI/OCI investments in Indian securities.
- Amendments in SEBI FPI Regulations (2024):
  - ✓ Limit of 50% on NRI/OCI contributions to IFSC funds removed (with safeguards).
  - ✓ Enables smoother access to Indian listed securities.

## Angel Schemes

- To strengthen the startup ecosystem and encourage angel investments, IFSCA introduced a dedicated regulatory framework for Angel Schemes.
- Offers the discretion to the investors to participate in specific investments and not in the entire pool.



## Distributors

- Recognises distributors as the bridge between FMEs and investors.
- Issued under IFSCA (Capital Market Intermediaries) Regulations, 2025.
- Defines the scope of activities, regulatory expectations, and code of conduct.

## ESG schemes

- Ensures consistency, comparability & reliability in ESG disclosures, true to label.
- Principle-based, aligned with global best practices.
- Covers initial & periodic disclosures, ongoing monitoring, and performance evaluation.
- Waiver of fee to first 10 ESG schemes

## Third-Party Fund Management Services

- Enables FMEs in IFSC to launch/manage Restricted Schemes for overseas/domestic third-party fund managers without physical presence in IFSC.
- Reduces the entry barrier for foreign fund managers to launch schemes in GIFT IFSC.
- **Key Features:**
  - ✓ Mandatory FME authorization (Platform)
  - ✓ Corpus limit: USD 50 Mn per scheme
  - ✓ Strong risk management, audits & disclosures

# IFSCA (FUND MANAGEMENT) REGULATIONS, 2025

Aligned with global best practices for Fund Management Entities (FMEs) to undertake various fund management-related activities under a **single registration** in one of the three categories

## Registered FME: Retail

- FMEs can cater to all types of investors
- Permitted a wide array of fund management products and services, including:
  - Retail Schemes & Exchange Traded Funds
  - Non-Retail Schemes (Alternative Investment Funds)
  - Venture Capital & Angel Schemes
  - Portfolio Management Services (PMS)

## Registered FME: Non-Retail

- Intended for FMEs that:
  - Manage Non-Retail funds
  - Offer PMS
  - Act as investment managers for private placement of Investment Trusts (REITs and InvITs)
- Investors targeted:
  - Accredited investors
  - Investors above a specified threshold
- Lower eligibility requirements compared to Registered FME: Retail

## Authorised FME

- Special category of registration with lighter-touch requirements
- Applies to FMEs that:
  - Invest only in unlisted securities of start-ups
  - Set up a Venture Capital Scheme or Angel Scheme
- Caters exclusively to:
  - Accredited investors
  - Investors above a specified threshold
  - Angel investors

The **three registration categories** are based on the **risk potential** of permitted activities, which determines both **initial and ongoing regulatory requirements**

# OVERVIEW OF FME REGISTRATION CATEGORIES & ELIGIBILITY

	Registered FME: Retail	Registered FME: Non-Retail	Authorised FME
Key Characteristics			
Legal Structure	Company or its branch	Company, LLP, or their branch	Company, LLP, or their branch
Minimum Net Worth <sup>1</sup>	USD 1,000,000	USD 500,000	USD 75,000
Track Record	FME/holding company/ subsidiaries with 5+ years' experience, managing USD 200 Mn+ AUM and 25,000+ investors.  Or Key shareholders (holding 25%+) with 5+ years' fund management experience, 1,000+ investors, USD 50 Mn+ AUM, and FME net worth ≥ USD 2 Mn.		
Key Managerial Personnel (KMP)	Employees need to have relevant experience as specified in the regulations		
Fit & proper	At least a Principal Officer and a Compliance Officer		
Infrastructure requirements	Additional KMP if the FME launches Retail Schemes and / or manages AUM ≥ USD 1 Billion		
	FME, its KMPs, directors/ partners/ designated partners, and controlling shareholders need to be fit and proper persons.		
	FME needs to have adequate infrastructure like office, facilities, manpower etc. suited to its scale of operations.		

<sup>1</sup>In the case of a branch, the net worth may be maintained at the parent level and shall at all times be earmarked for the operations of the branch in IFSC.



# SCOPE OF ACTIVITIES FOR DIFFERENT CATEGORIES OF FMEs

Scope of Activities		Registered FME: Retail	Registered FME: Non-Retail	Authorised FME
VC Scheme & Angel Scheme		✓	✓	✓
Restricted Schemes	Cat I AIF	✓	✓	✗
	Cat II AIF	✓	✓	✗
	Cat III AIF	✓	✓	✗
Retail – Oriented Products	Retail Scheme	✓	✗	✗
	ETF	✓	✗	✗
Portfolio Management Services		✓	✓	✗
Special Situation Fund		✓	✓	✗
Investment Trusts	Public Issue	✓	✗	✗
	Private Placement	✓	✓	✗
Third-Party Fund Management Services		✓	✓	✗

VC Scheme – Venture Capital Scheme  
Cat I / II / III AIF – Alternative Investment Fund (Category I / II / III)

# KEY FEATURES OF SCHEMES UNDER FUND MANAGEMENT (1/3)

Key Characteristics	Non-Retail		
	VC /Angel Schemes	Restricted Schemes	Retail Schemes
Objective	To invest in start-ups and early-stage ventures	<p><b>Category I AIF:</b> Investments in start-ups or social ventures or SMEs or infrastructure or other sectors / areas considered as socially or economically desirable.</p> <p><b>Category III AIF:</b> Investments for undertaking diverse or complex trading strategies, in listed or unlisted derivatives, and for permitted investments under longevity finance.</p> <p><b>Category II AIF:</b> Investments that do not fall under Category I and Category III AIFs.</p>	To launch investments products for retail investors.
Legal Structure	Trust / Company / LLP	Trust / Company / LLP	Trust / Company
Number of investors	<ul style="list-style-type: none"><li>• <b>VC Scheme:</b> Maximum 50</li><li>• <b>Angel Scheme:</b><ul style="list-style-type: none"><li>• Maximum 200 investors per segregated portfolio</li><li>• Each investment is structured as a separate portfolio</li><li>• Only consenting investors contribute to each investment</li></ul></li></ul>	<b>Maximum – 1000</b>	<b>Minimum – 20</b> <b>Maximum – No cap</b>



# KEY FEATURES OF SCHEMES UNDER FUND MANAGEMENT (2/3)

Key Characteristics	Non-Retail		Retail Schemes
	VC /Angel Schemes	Restricted Schemes	
Investment Requirement	<ul style="list-style-type: none"><li>• <b>VC Scheme:</b><ul style="list-style-type: none"><li>• No limit for Accredited investors</li><li>• USD 250,000 for other investors</li><li>• USD 60,000 for employees / directors of FME</li></ul></li><li>• <b>Angel Scheme:</b><ul style="list-style-type: none"><li>• No limit for Accredited investors</li><li>• USD 40,000 for other investors</li></ul></li></ul>	<ul style="list-style-type: none"><li>• No limit for Accredited investors</li><li>• USD 150,000 for other investors</li><li>• USD 40,000 for employees / directors of FME</li></ul>	<ul style="list-style-type: none"><li>• No limit</li></ul> <p><i>(except for close-ended – schemes investing 15% to 50% in unlisted securities - USD 10,000)</i></p>
Scheme Corpus	<ul style="list-style-type: none"><li>• <b>VC Scheme:</b> Min. USD 3 Mn, Max. USD 200 Mn</li><li>• <b>Angel Scheme:</b> Minimum – USD 1 Mn</li></ul>	Minimum – USD 3mn	Minimum – USD 3mn
Leverage	<ul style="list-style-type: none"><li>• <b>VC Scheme:</b><ul style="list-style-type: none"><li>• Permissible, subject to<ul style="list-style-type: none"><li>✓ disclosure</li><li>✓ comprehensive risk management framework</li></ul></li></ul></li><li>• <b>Angel Scheme:</b> Not permitted</li></ul>	<ul style="list-style-type: none"><li>• Permissible, subject to<ul style="list-style-type: none"><li>✓ disclosure</li><li>✓ comprehensive risk management framework</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Permissible only for meeting temporary liquidity needs for the purpose of redemption, with a cap of 20% of the AUM of the scheme and duration up to 6 months.</li></ul>

# KEY FEATURES OF SCHEMES UNDER FUND MANAGEMENT (3/3)



Key Characteristics

Custodian

- |                                       |                                                                                                                                                                      |           |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Mandatory for scheme size > USD 70 Mn | <ul style="list-style-type: none"><li>• <b>Open-ended Scheme:</b> Mandatory</li><li>• <b>Closed-ended Scheme:</b> Mandatory for scheme size &gt; USD 70 Mn</li></ul> | Mandatory |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

← Custodian not mandatory for FoFs where underlying scheme(s) have custodian(s) →

Skin-in-the-game contribution of FME / Associate

- |                                                                                                                                                                                                                                         |                                                                                                                                                                                       |                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| <ul style="list-style-type: none"><li>• <b>VC Scheme:</b> 2.5% to 10% of the targeted corpus</li><li>• <b>Angel Scheme:</b> At least 2.5% of investment size or USD 20,000, whichever is lower, in each segregated portfolio.</li></ul> | <ul style="list-style-type: none"><li>• <b>Open-ended Scheme:</b> 5% to 10% of the targeted corpus</li><li>• <b>Closed-ended Scheme:</b> 2.5% to 10% of the targeted corpus</li></ul> | 1% of the corpus or USD 200,000, whichever is lower |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|

<p><b>Waiver from contribution permitted if:</b></p> <p><b>(i)</b> ≥ 2/3 investors (by value) approve waiver, <b>(ii)</b> ≥ 2/3 investors are accredited, <b>(iii)</b> Scheme invests in other scheme(s) with similar requirements, or <b>(iv)</b> Scheme relocated from foreign jurisdiction to GIFT IFSC.</p> <p>◇ <b>For Angel Schemes,</b> 'scheme' = 'segregated portfolio' in points (i) to (iii).</p>	<p><b>Waiver if:</b></p> <p>✓ Scheme is a FoF investing in scheme(s) with similar requirement</p>
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Valuation & Disclosure of NAV

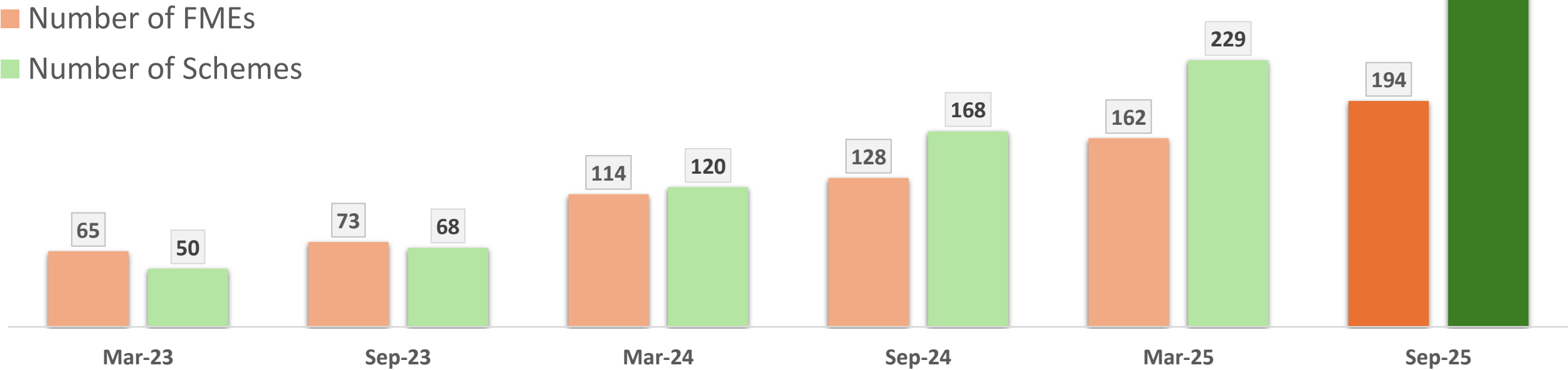
- |              |                                                                                                                                                   |                                                                                                                                            |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Annual basis | <ul style="list-style-type: none"><li>• <b>Open-ended Scheme:</b> Monthly basis</li><li>• <b>Closed-ended Scheme:</b> Half-yearly basis</li></ul> | <ul style="list-style-type: none"><li>• <b>Open-ended Scheme:</b> Daily basis</li><li>• <b>Closed-ended Scheme:</b> Weekly basis</li></ul> |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|

Portfolio Disclosure

Annually within 1 month from the end of the year	← Quarterly within 1 month from the end of the quarter →
--------------------------------------------------	----------------------------------------------------------

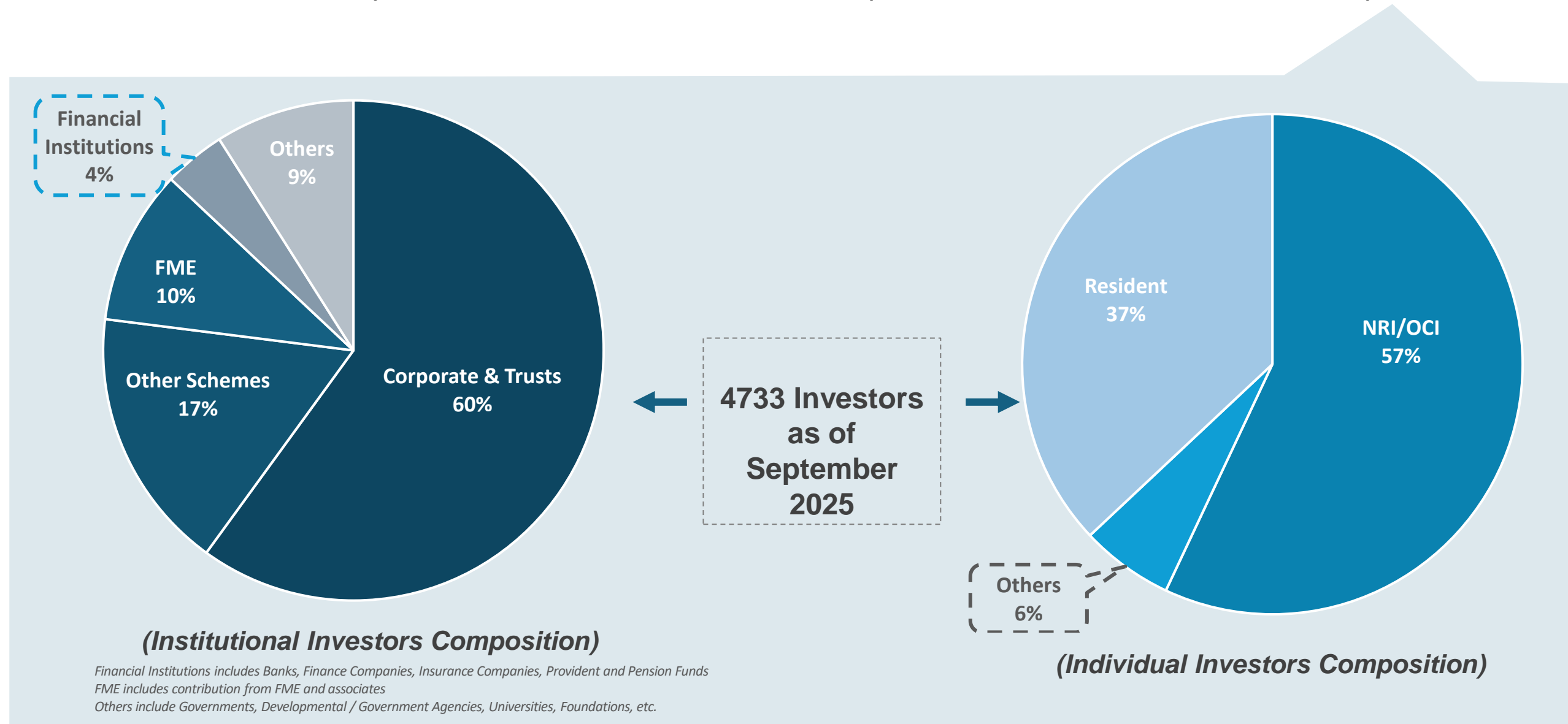


# GROWTH OF FUND MANAGEMENT ECOSYSTEM



Mar-23    Sep-23    Mar-24    Sep-24    Mar-25    Sep-25  
(Cumulative Amounts)

# INVESTOR COMPOSITION & GROWTH TREND





# RELOCATION OF SCHEMES FROM FOREIGN JURISDICTIONS TO GIFT IFSC

**23**

Schemes relocated as on  
September 30, 2025

**\$9.14bn**

Cumulative Commitments

**\$3.56bn**

Cumulative Funds Raised

**\$4.38bn**

Cumulative Investments

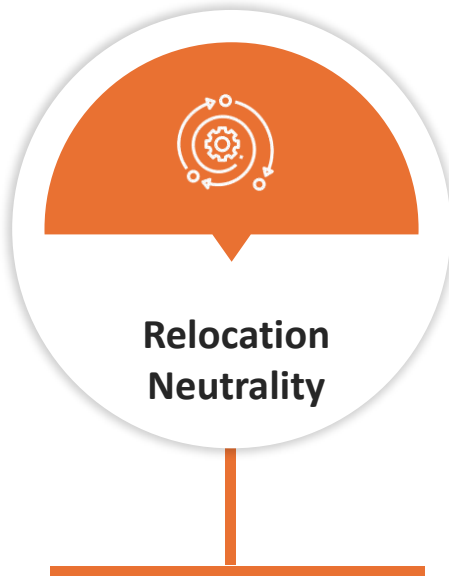


# BENEFITS FOR RELOCATION OF OFFSHORE FUNDS

*Relocation of Offshore Fund to a resultant fund in IFSC to be tax neutral for Offshore Fund, resultant fund, and its shareholders/ unit holders as follows:*



No tax payout required for non-resident beneficiaries of Offshore Fund on transfer of units/ beneficial interest of Offshore Fund in consideration of units/ beneficial interest of Resultant Fund in IFSC



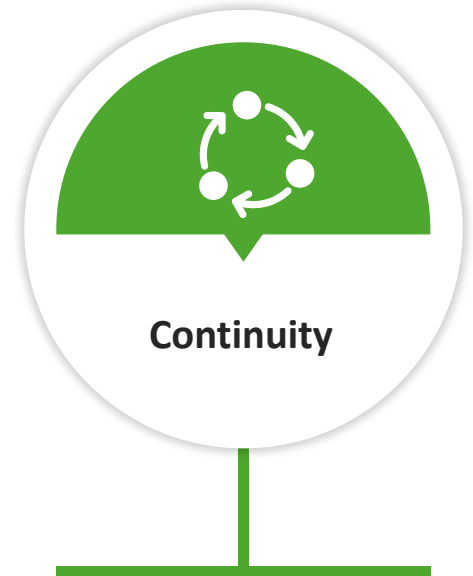
Transfer of assets of an Offshore Fund or its Wholly owned subsidiary ('WOS') to a Resultant Fund, upon relocation to IFSC on or before 31 March 2030, is not regarded as a transfer



Existing investments in Offshore Fund are grandfathered and may enjoy specific benefits that would be otherwise applicable if such relocation would have not happened



Carry-forward losses of the portfolio company are not impacted by such relocation.  
FME contribution to Resultant Fund made voluntary



Period of holding and cost to the original fund are available to Resultant Fund. Deemed income provisions under the Indian tax laws are not applicable to the assets received on relocation by the investors or resultant fund.



# IFSC COMPETITIVE TAX REGIME



*\*Tax Holiday for any 10 consecutive out of first 15 years*  
*\*\*On specified securities transferred on recognized stock exchanges in IFSC*  
*\*\*\*MAT provision not applicable for companies opting for concessional tax rate under Sec. 115 BAA of the Income Tax Act, 1961 and for other IFSC companies Concessional Rate of MAT applicable at 9%.*

*Disclaimer: Readers are advised to refer to the relevant notification of CBDT, CBIC, GST Council and Government of Gujarat while taking decisions.*

# KEY TAX INCENTIVES & BENEFITS FOR FMEs

## Category I & II AIF

Pass through status for Indian income tax purpose

Income accruing or arising or received by Non-Resident investors from off-shore investments not taxable in India

Non-Resident investors are exempt from obtaining PAN and filing return of income tax in India, subject to certain conditions

## Category III AIF, Retail Scheme & ETF \*

Subject to fund level taxation

Tax exemption on income attributable to non-residents from:

- ✓ Transfer of specified securities traded on IFSC exchanges
- ✓ Securities issued by non-residents (without PE in India)
- ✓ Transfer of offshore/IFSC-traded securities
- ✓ Business Income received from a securitisation trust in India

Income on transfer of shares of Indian company is taxable as follows:

- ✓ Short term Capital Gains: 15% if Securities Transaction Tax paid, else 30%\*\*\*
- ✓ Long term capital gains: 12.5%\*\*\*
- ✓ Interest and Dividend: 10%\*\*

Non-Resident investors are exempt from obtaining PAN and filing return of income tax in India, subject to certain conditions

## FME

Tax Holiday for 10 consecutive years out of block of 15 years

Dividend distributed by FME taxed at 10% for non-resident shareholders and as per domestic rates for resident shareholders

Services provided by FME in IFSC to IFSC based funds is not subject to Goods and Services Tax (GST)

*\*All investors to be non-resident other than FME / its Associates*

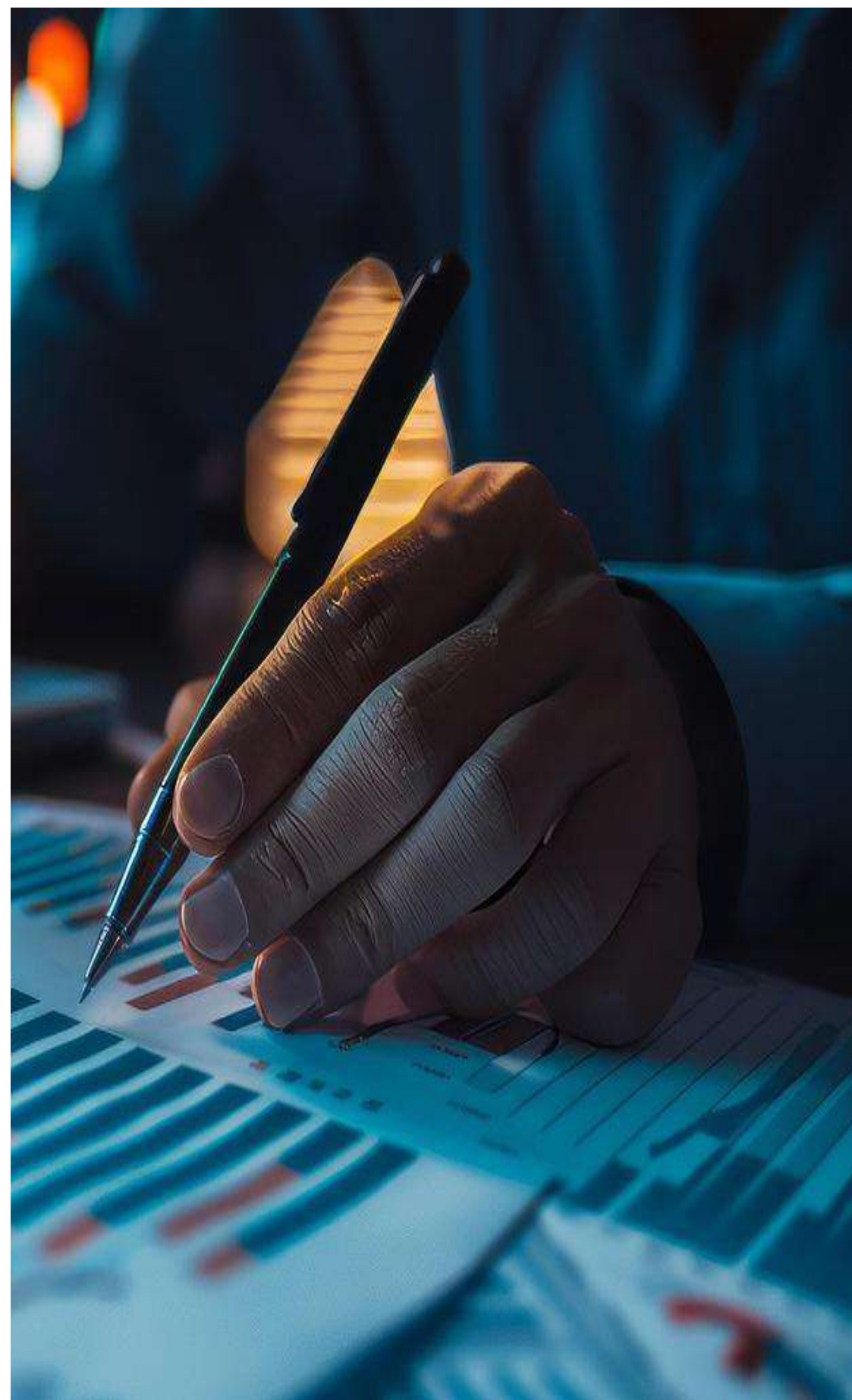
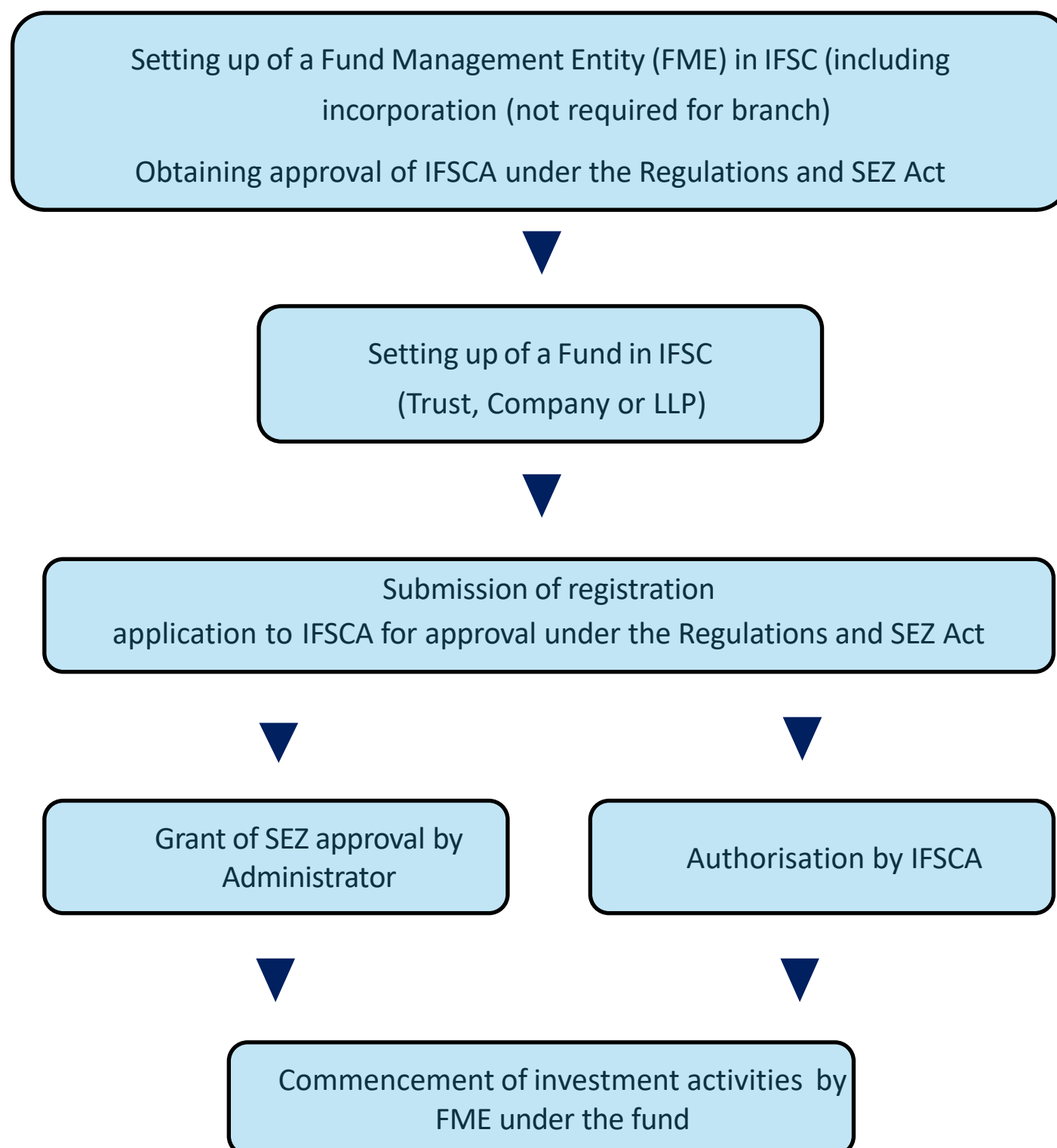
*\*\* In case of AIFs set up as a Trust, surcharge and cess are not applicable on such income*

*\*\*\* plus applicable surcharge and cess*

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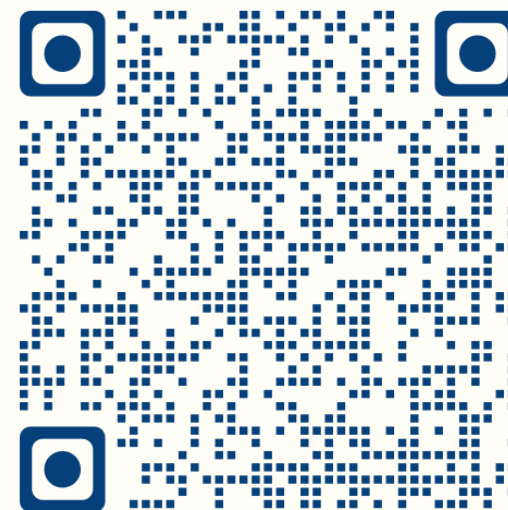
# FUND ESTABLISHMENT PROCESS AT GIFT IFSC







FOR MORE INFO



SCAN

**Disclaimer:**

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