FUND MANAGEMENT

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

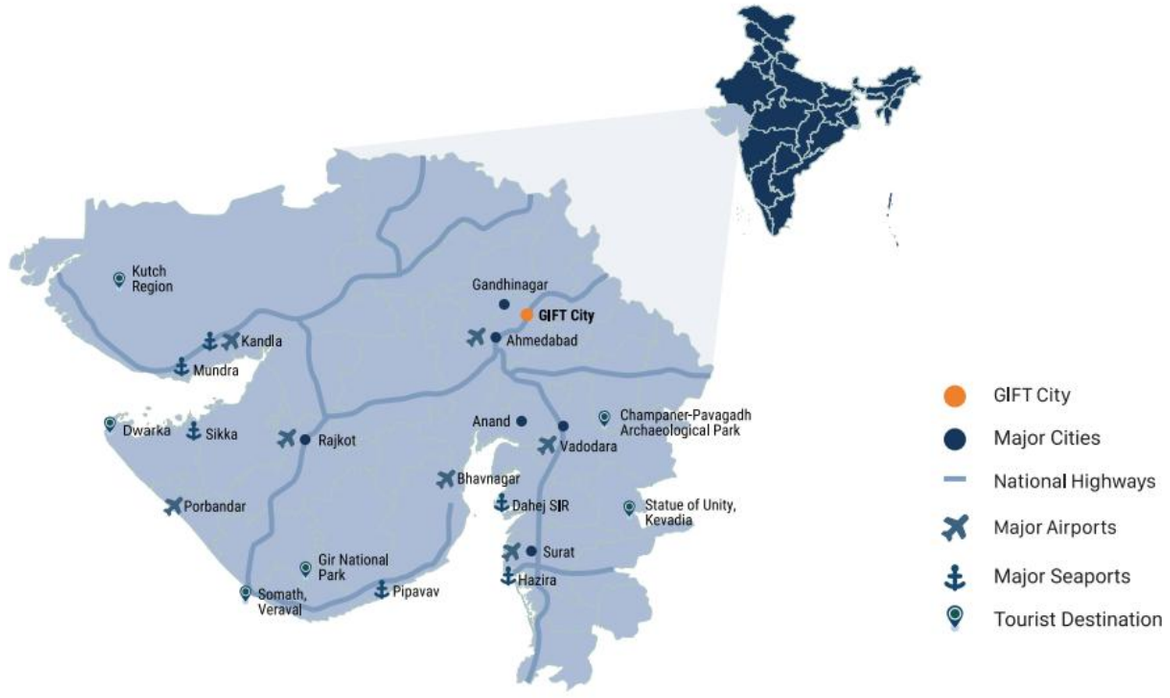


THE NEW INDIA

Land of unlimited opportunities

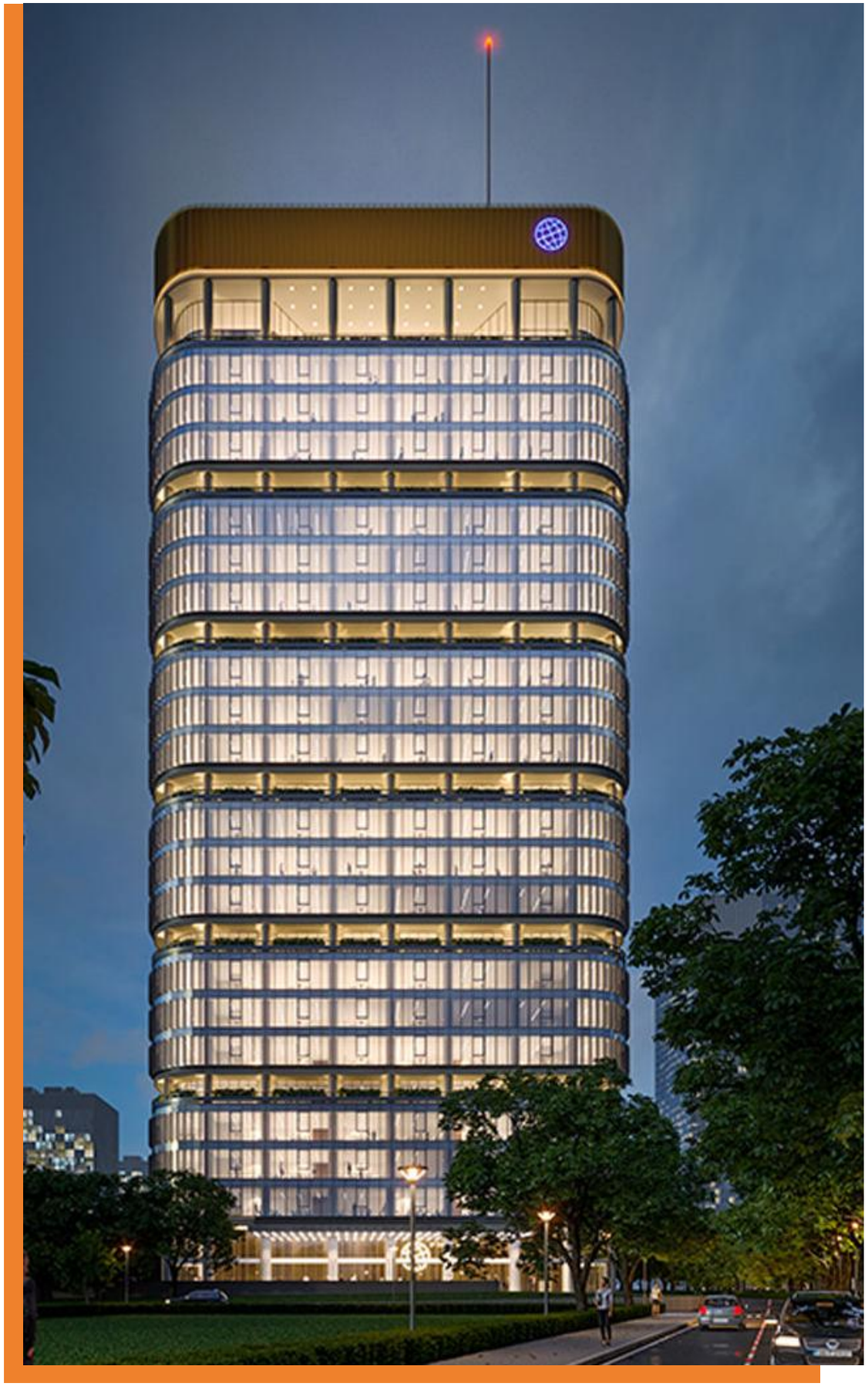
- India is one of the fastest growing major economies in the world and has emerged as the **4th largest** economy in nominal GDP terms
- At **USD 135 Bn** in FY 25, India is the largest recipient of foreign remittances from diaspora
- India attracted gross FDI inflow of **USD 94.52 Bn** during FY 25-26
- **67%** of India's population is in the age group 15-64
- Over **2.23 Lakh startups** as of April 30, 2026

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

1 Categories of Fund Managers

- Authorised
- Retail
- Non-Retail

2 Type of Schemes

- Venture Capital Scheme
- Restricted Scheme
- Retail Scheme

3 Other Activities

- Investment Trust (REIT & InvIT)
- Portfolio Management Services (PMS)
- Family Investment Fund



4 Innovations

- Fund Lab
- Co-Investment Structure
- Third-Party Fund Management Services

5 Supporting Ecosystem

- Accredited Investors
- Distributors
- 100% NRI / OCI Funds

6 Other Focus Area

- ESG Scheme
- Angel Scheme
- ETF (Passive & Active)

EVOLUTION OF REGULATORY LANDSCAPE FOR FUNDS

Notification of Regulations

IFSCA (FM) Regulations 2022

The IFSCA (Fund Management) Regulations, 2022, were Notified in April 2022.

Distributors

Distributors

Framework governing the operations, scope of activities, and regulatory expectations for Distributors.

SWFs

Sovereign Wealth Funds

Dedicated framework with relaxed regulatory requirements for Sovereign Wealth Funds

NRI / OCI Funds

NRI/OCI Investment

IFSCA & SEBI jointly created a mechanism for removing the limit on aggregate NRI/OCI contribution in a Foreign Portfolio Investor (FPI)

Framework

Third Party Fund Management

Framework for TPFM Services introduced in July 2025

Angel Scheme

Angel Schemes

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

Disclosures

ESG Schemes

Mandatory Initial and periodic disclosures aligned with international best practices

Ease of Investing

Accredited Investors

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

Review of Regulations

IFSCA (FM) Regulations 2025

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

Circular

Blended Finance framework

Differential distribution rights to different classes of investors

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)
  - Investment Trusts (Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

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

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

[1]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.
[2]In case the applicant complies under the relaxed alternative track record criterion; it needs a minimum net worth of USD 2,000,000.

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 (1/4)

Key Characteristics	Non-Retail		Retail Schemes
	VC /Angel Schemes	Restricted Schemes	
Objective	To invest in start-ups and early-stage ventures	**Category I AIF:** Investments in start-ups or social ventures or SMEs or infrastructure or other sectors / areas considered as socially or economically desirable. **Category III AIF**: Investments for undertaking diverse or complex trading strategies, in listed or unlisted derivatives, and for permitted investments under longevity finance. **Category II AIF**: Investments that do not fall under Category I and Category III AIFs.	To launch investments products for retail investors.
Legal Structure	Trust / Company / LLP	Trust / Company / LLP	Trust / Company

Number of investors	• **VC Scheme**: Maximum 50
	• **Angel Scheme**:
	  • Maximum 200 investors per segregated portfolio
	  • Each investment is structured as a separate portfolio
	  • Only consenting investors contribute to each investment
		Maximum – 1000	Minimum – 20
			Maximum – No cap

KEY FEATURES OF SCHEMES UNDER FUND MANAGEMENT (2/4)

Key Characteristics	Non-Retail		
	VC /Angel Schemes	Restricted Schemes	Retail Schemes

Investment Requirement	• **VC Scheme:**
	  • No limit for Accredited investors
	  • USD 250,000 for other investors
	  • USD 60,000 for employees / directors of FME
	• **Angel Scheme:**
	  • No limit for Accredited investors
	  • USD 40,000 for other investors
		• No limit for Accredited investors
		• USD 150,000 for other investors
		• USD 40,000 for employees / directors of FME
			• No limit
			
			(except for close-ended – schemes investing 15% to 50% in unlisted securities - USD 10,000)

Scheme Corpus	• **VC Scheme:** Min. USD 3 Mn, Max. USD 200 Mn • **Angel Scheme:** Minimum – USD 1 Mn	Minimum – USD 3mn Open ended scheme can start deploying money once it has raised USD 1 Mn	Minimum – USD 3mn Open ended scheme can start deploying money once it has raised USD 1 Mn

Leverage	• **VC Scheme:**
	  • Permissible, subject to
	  ✓ disclosure
	  ✓ comprehensive risk management framework
	• **Angel Scheme:** Not permitted
		• Permissible, subject to
		  ✓ disclosure
		  ✓ comprehensive risk management framework
			• 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.

KEY FEATURES OF SCHEMES UNDER FUND MANAGEMENT (3/4)

Key Characteristics	Non-Retail		Retail Schemes
	VC /Angel Schemes	Restricted Schemes	
Custodian	Mandatory for scheme size > USD 70 Mn	• **Open-ended Scheme:** Mandatory • **Closed-ended Scheme:** Mandatory for scheme size > USD 70 Mn	Mandatory
	Custodian not mandatory for FoFs where underlying scheme(s) have custodian(s)		
Skin-in-the-game contribution of FME / Associate	FME / associate shall invest up to 10% of the corpus of scheme		1% of the corpus or USD 200,000, whichever is lower
	• **VC Scheme:** At least 2.5% of corpus or $750,000, whichever is lower. • **Angel Scheme:** At least 2.5% of investment size or $20,000, whichever is lower, in each segregated portfolio.	• **Open-ended Scheme:** At least 5% of corpus or $1.5 Mn, whichever is lower. • **Closed-ended Scheme:** At least 2.5% of corpus or $750,000, whichever is lower.	

Higher contribution by FME / associate permitted if:

(i) Foreign-origin FMEs & associates can contribute up to 100% of corpus, if Scheme does not invest > 33% of corpus in a single company & its associates.

(ii) Indian FMEs & associates, can contribute up to 25% of corpus, if Scheme invests only in IFSC / foreign jurisdictions.

Waiver from contribution permitted if:

(i) ≥ 2/3 investors (by value) approve waiver, (ii) ≥ 2/3 investors are accredited, (iii) Scheme is a FoF investing in scheme(s) with similar requirements, with no active management by FME and underlying funds pre-disclosed, or (iv) Scheme is relocated from a foreign jurisdiction to GIFT IFSC.

- For Angel Schemes, 'scheme' = 'segregated portfolio' in points (i) to (iii).
- For Restricted Schemes, waiver also available for – (i) index schemes, and (ii) FoFs investing in index schemes / passive ETFs (underlying funds pre-disclosed).

Waiver from contribution permitted if:

- ✓ Relocated schemes established or incorporated outside India to IFSC
- ✓ Scheme is a FoF investing in scheme(s) with similar requirement (no active management by the FME; inter-se allocation disclosed in the offer document)
- ✓ Scheme is an index scheme
- ✓ FoF investing only in index schemes / passive ETFs (inter-se allocation disclosed)

KEY FEATURES OF SCHEMES UNDER FUND MANAGEMENT (4/4)

Key Characteristics	Non-Retail		Retail Schemes
	VC /Angel Schemes	Restricted Schemes	
Portfolio Valuation & Disclosure of NAV	Annual basis	• **Open-ended Scheme:** Monthly basis • **Closed-ended Scheme:** Half-yearly basis; extendable to yearly if approved by at least 75% of investors by value	• **Open-ended Scheme:** Daily basis • **Closed-ended Scheme:** Weekly basis

Independent valuation required in all cases, except for investments made by a scheme in other scheme(s) regulated by a financial sector regulator and valued by an independent entity

Portfolio Disclosure

Annually ← Quarterly →

Disclosures of NAV and portfolio commence from the month/quarter/half-year/yearly in which the scheme commences investment activities, as the case may be.

Blended Finance

For blended finance and other fund structures, **differential distribution rights** may be accorded to investors through issuance of senior, and junior / subordinate units. Such structures permit junior unitholders to bear higher losses / accept lower or nil returns.

In case of ESG schemes, junior unitholders may also provide grants up to 49% of corpus.

OTHER POLICY MEASURES

Sovereign Wealth Funds & other Government related investors

- Dedicated regulatory framework for Government related investors, **dispensing them from certain requirements**, considering their unique nature.
- Operational flexibility and ease of operations.
- Regulatory dispensation is complemented by **conducive taxation**.

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.

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.

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 portfolio**.

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**.

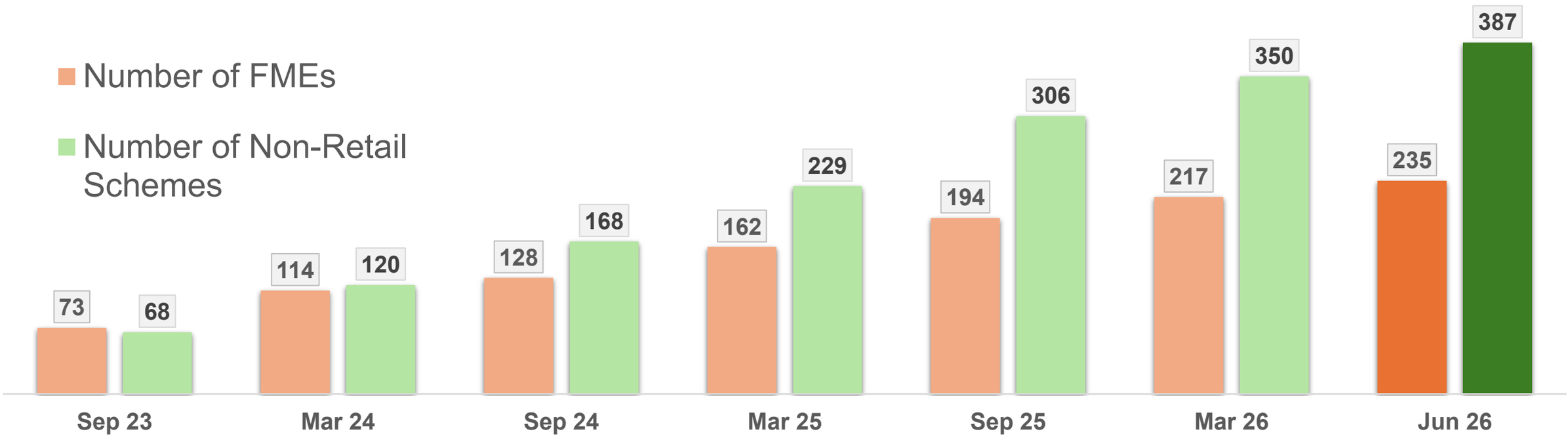
ESG schemes

- Disclosure framework that 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.
- **ESG Schemes are also permitted to accept grants under blended finance structures**.
- **Waiver of fee to first 10 ESG schemes**

Third-Party Fund Management Services

- Enables FMEs in IFSC to launch Restricted Schemes for overseas/domestic third-party fund managers **without requiring their 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

GROWTH OF NON-RETAIL FUND MANAGEMENT ECOSYSTEM

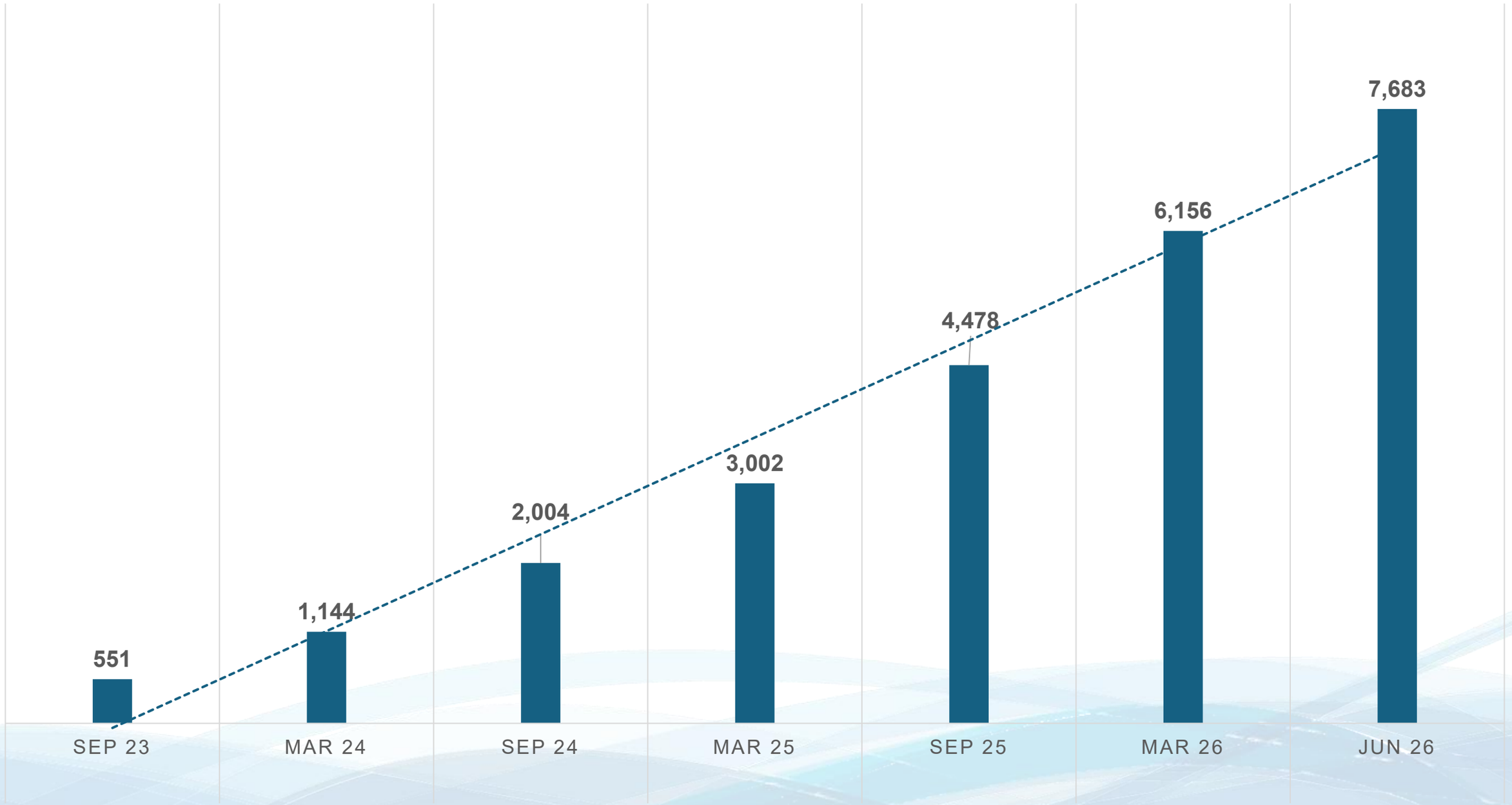


	Sep 23	Mar 24	Sep 24	Mar 25	Sep 25	Mar 26	Jun 26
Commitments Raised	$5.5bn	$8.40bn	$12.13bn	$15.74bn	$26.30bn	$39.09bn	$45.08bn
Funds Raised	$2bn	$3.94bn	$5.58bn	$7.95bn	$12.27bn	$19.51bn	$22.93bn
Investments Made	$1.69bn	$3.70bn	$6.53bn	$8.07bn	$13.22bn	$19.67bn	$21.05bn

(Cumulative amounts)

Data as of June 2026

INVESTOR GROWTH TREND IN NON-RETAIL SEGMENT



Data as of June 2026

GROWTH OF RETAIL FUND MANAGEMENT ECOSYSTEM

14
Retail schemes authorised

8,467
Investors

USD 99.59 Mn
Cumulative funds raised
USD 54.13 Mn raised in Q1 FY 2026–27

Where the 14 schemes invest

6 India-focused | 8 overseas-focused

6	3	3	2
India schemes	**Global** schemes	**Developed Markets** schemes	**Emerging Markets** schemes

Growth in investors

33x
investors



Data as of June 2026

RELOCATION OF SCHEMES FROM FOREIGN JURISDICTIONS TO GIFT IFSC

31

Schemes relocated as on June 30, 2026

$14.77bn

Cumulative Commitments

$7.91bn

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:

Investor Exemption

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

Relocation Neutrality

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

Capital Gains Relief

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

Loss Protection

Carry-forward losses of the portfolio company are not impacted by such relocation.

FME contribution to Resultant Fund made voluntary

Continuity

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



01

0% Corporate Tax*

02

0% Goods & Services Tax (GST)

03

0% Minimum Alternate Tax (MAT)***

04

0% Capital Gains Tax**

05

0% Securities Transaction Tax (STT)
Commodities Transaction Tax (CTT)

06

0% Stamp Duty**

**Tax Holiday for any 20 consecutive out of first 25 years*
***On specified securities transferred on recognized stock exchanges in IFSC*
****MAT provision not applicable for companies opting for concessional tax rate under Sec. 200 of the Income Tax Act, 2025 and for other IFSC companies Concessional Rate of MAT applicable at 9%.*

Disclaimer: Readers are advised to refer to the relevant notifications 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 20 consecutive years out of a block of first 25 years, and flat rate of 15% thereafter
- 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*

FUND ESTABLISHMENT PROCESS AT GIFT IFSC

1. **Setting up of a Fund Management Entity (FME)** in IFSC (including incorporation (not required for branch). Obtaining approval of IFSCA under the Regulations and SEZ Act

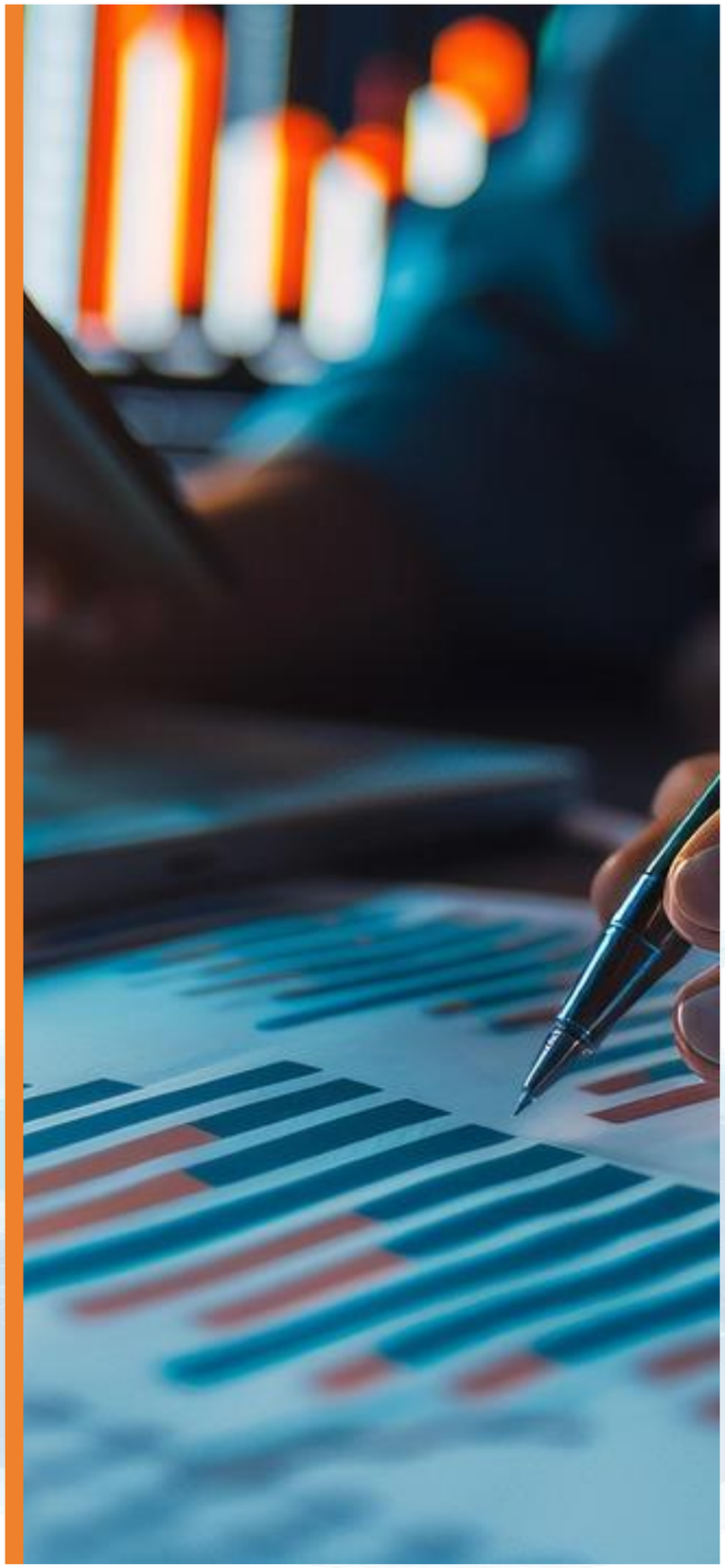
2. **Setting up of a Fund in IFSC (Trust, Company or LLP)**

3. **Submission of registration** application to IFSCA for approval under the Regulations and SEZ Act

4. **Grant of SEZ approval by Administrator**

   Authorisation by IFSCA

5. **Commencement of investment activities by FME under the fund**



Disclaimer:
The information contained in this brochure is intended to give an overview of financial services markets in GIFT IFSC and not intended to provide any financial or tax related advice. While efforts have been taken regarding the authenticity and accuracy of the information contained in this brochure, for all official purposes reference may be made to the print versions, notified Gazette copies of Acts / Rules / Regulations / Circulars / Guidelines issued by the respective authority. The IFSCA shall not be responsible for any loss to any person/entity caused by any defect or inaccuracy in this brochure.

FOR MORE INFO

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