Consultation Paper

Guidelines for engaging Financial Solicitation Professionals (FSPs)

A. Objective:

1. The objective of this paper is to seek comments and suggestions from the public and stakeholders on the proposed guidelines for engaging of Financial Solicitation Professionals ("FSPs") by Financial Institutions ("FIs") in the International Financial Services Centre ("IFSC").

B. Background:

2. The International Financial Services Centres Authority ("IFSCA") has been established under the International Financial Services Centres Authority Act, 2019 ("IFSCA Act") with the mandate to develop and regulate the financial services market in the IFSC in India and for matters connected therewith or incidental thereto.

3. The IFSC ecosystem has witnessed significant growth in banking, capital markets, fund management, insurance and other financial services. As the range of products and services available in the IFSC continues to expand, there is also a need to facilitate greater awareness and access to such products and services to the clients.

4. FIs in the IFSC may expand their outreach by engaging professionals (i.e. individuals), other than their employees, in India and overseas jurisdictions to solicit business on behalf of such FIs thereby enhancing reach and expanding their business to new clients, new geographies etc.

5. Such solicitation activities require appropriate transparency and consumer protection measures, so that clients are able to readily ascertain whether an individual approaching them is engaged by an FI. It is therefore proposed that the FIs shall disclose relevant details of the FSPs engaged by them on their websites or, as the case may be, on a dedicated webpage on the website of their parent entity, to ensure transparency.

C. Proposed Guidelines:

6. IFSCA had earlier issued a consultation paper titled – "Consultation paper on the draft International Financial Services Centres Authority (IFSC Financial Advisers) Regulations, 2026" dated February 24, 2026, seeking comments from the public.

7. Upon further consideration and deliberations on the nature of the proposed activities and the existing regulatory framework applicable to Financial Institutions set up in IFSC, it is considered that a separate regulatory framework for Financial Advisers may not be warranted at this stage. Accordingly, it has been decided to adopt a disclosure-based approach to ensure transparency in the solicitation activities done by FSPs on behalf of already regulated Financial Institutions.

8. Therefore, the proposed guidelines *inter alia*, cover the following aspects:

   a. The FI will undertake appropriate due diligence before engaging an FSP;

   b. The FSP shall comply with specified requirements while soliciting clients or facilitating their access to financial products or financial services, including disclosure of the identity of the FI, providing accurate and appropriate information, not making any false or misleading representations, complying with applicable jurisdictional requirements, not accepting or holding client assets and maintaining confidentiality of client information;

   c. The FI will remain responsible for all acts and omissions of the FSPs in the course of soliciting clients or facilitating their access to financial products or financial services on its behalf;

   d. The FI shall take appropriate action, including termination of engagement, against an FSP whose conduct is not in accordance with the proposed Guidelines; and

   e. The FI shall publish and maintain an updated list of all FSPs engaged by it on its website or, as the case may be, on a dedicated webpage on the website of its parent entity.

D. Public Comments

9. In view of the above, comments and suggestions from the public are invited on the proposed guidelines for engaging of FSPs, as set out in the draft Circular **at Annexure A**. The comments may be sent by email to Shri Akash Boddeda, Manager at akash.boddeda@ifsca.gov.in and Shri Nikhil, Assistant Manager at nikhil.solanki@ifsca.gov.in with a copy to Shri Arjun Prasad, Chief General Manager at arjun.pd@ifsca.gov.in with subject line "**Comments on the draft Circular on Guidelines for engaging of Financial Solicitation Professionals**" latest by **November 30, 2026**.

10. The comments should be provided in the following format:

Name and Designation				
Contact No. and email address				
Name of Organisation				
S. No.	**Clause No.**	**Text of Clause**	**Comments/ Suggestions/ Suggested/ Modifications**	**Detailed Rationale**

November 09, 2026
Gandhinagar

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Annexure – A

Draft Circular on "Guidelines for engaging Financial Solicitation Professionals"

Circular

eF.No. … **December XX, 2026**

To,

All Financial Institutions operating in the International Financial Services Centre (IFSC)

Madam/Sir,

Subject: Guidelines for engaging Financial Solicitation Professionals

1. In order to facilitate wider outreach of, and access to the financial products or financial services offered by the Financial Institutions in the International Financial Services Centre ("IFSC"), while ensuring transparency and adequate customer protection, the International Financial Services Centres Authority ("IFSCA" or "Authority") hereby issues the following guidelines ("Guidelines") for the engagement of Financial Solicitation Professionals by such Financial Institutions.

2. These Guidelines shall apply to all Financial Institutions registered, licensed, recognised, authorised, permitted or approved by the Authority which engage, or propose to engage, individuals, other than their employees, for soliciting or facilitating access to financial products or financial services on their behalf. Such an individual shall be referred to as a "Financial Solicitation Professional" or "FSP".

3. The Financial Institution shall undertake appropriate due diligence before engaging an FSP and ensure that every FSP engaged by it, while soliciting clients or facilitating their access to financial products or financial services:

    a. clearly discloses to the client the name of the Financial Institution whose financial product or financial service is being offered;

    b. does not claim to be an employee of such Financial Institution, or to be registered with or approved by the Authority;

c. provides accurate information on the financial product or financial service, and does not make any false, misleading or exaggerated statement or give any assurance of returns;

d. solicits only the financial products or financial services, offered by the FI, and in the jurisdiction for which the FSP is engaged, in compliance with the laws of that jurisdiction;

e. does not accept or hold any money, securities or other assets of a client; and

f. keeps the information of the client confidential.

The requirements set out above are in addition to any code of conduct applicable under the Regulations governing the Financial Institution.

4. The Financial Institution shall remain responsible for all acts and omissions of an FSP in the course of soliciting clients or facilitating their access to financial products or financial services on its behalf.

5. The Financial Institution shall take appropriate action, including termination of the engagement, against an FSP whose conduct is not in accordance with these Guidelines.

6. The Financial Institution shall publish a list of all FSPs engaged by it on its website or, as the case may be, on a dedicated webpage on the website of its parent entity, and shall promptly update the list upon appointment, suspension, termination or cessation of engagement of any FSP.

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

8. A copy of this Circular is available on the website of the Authority at www.ifsca.gov.in.

Yours Faithfully,

Arjun Prasad
Chief General Manager
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