

ANNUAL REPORT

2024-25



**International Financial
Services Centres Authority**



ANNUAL REPORT

2024-25

This report is in conformity with the form prescribed in the International Financial Services Centres Authority (Annual Report and Returns and Statements and Other Particulars) Rules, 2022 notified on February 28, 2022, in the Gazette of India.





K.Rajaraman
Chairperson



सचिव,
भारत सरकार,
आर्थिक कार्य विभाग,
वित्त मंत्रालय, नॉर्थ ब्लॉक,
नई दिल्ली - 110 001

आईएफएससीए-ईसीपीए/2/2025- इकनॉमिक पालिसी एंड एनालिसिस
जून 30, 2025

प्रिय महोदय,

अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण अधिनियम, 2019 की धारा 19(2) के उपबंधों के अनुसार, मैं एतद्वारा भारत के राजपत्र, असाधारण के भाग II खंड 3 उप-खंड (i) में, 28 फरवरी, 2022 को अधिसूचित अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण (वार्षिक रिपोर्ट और विवरणियां तथा विवरण और अन्य विशिष्टियां) नियम, 2022 में निर्धारित किए गए प्रारूप में, 31 मार्च 2025 को समाप्त वर्ष के लिए अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण की वार्षिक रिपोर्ट की प्रति अग्रेषित कर रहा हूँ।

भवदीय,


(के राजारामन)

संलग्न: उपरोक्तानुसार

The Secretary,
Government of India,
Department of Economic Affairs,
Ministry of Finance, North Block,
New Delhi - 110 001

IFSCA-EcPA/2/2025-Economic Policy and Analysis
June 30, 2025

Dear Sir,

In accordance with the provisions of Section 19(2) of the International Financial Services Centres Authority Act, 2019, I forward herewith a copy of the Annual Report of the International Financial Services Centres Authority for the year ended March 31, 2025, in the format prescribed in the International Financial Services Centres Authority (Annual Report and Returns and Statements and Other Particulars) Rules, 2022, notified on February 28, 2022, in Part II Section 3 Sub-section (i) of the Gazette of India Extraordinary.

Yours faithfully,


(K. Rajaraman)

Encl.: As above

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Second & Third Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT SEZ, GIFT City,
Gandhinagar-382 355, Gujarat, India. P: +91 79 6180 9800



SECTION-A



STATEMENT OF GOALS & OBJECTIVES

The International Financial Services Centres Authority (IFSCA) was set up by the Government of India on April 27, 2020, as a unified financial regulator under the International Financial Services Centres Authority Act, 2019. It is headquartered at Gujarat International Finance Tec-City (GIFT City), Gandhinagar in Gujarat. The main objective of IFSCA (hereinafter referred to as “the Authority”) is to develop and regulate financial services in the International Financial Services Centres (IFSCs) established in India, with a mandate to create a financial ecosystem with ease of doing business and well-balanced regulatory system with a view to making IFSCs a preferred global destination for international financial services. IFSCA is a unified financial regulator, having powers to regulate Financial Services, Financial Institutions, and Financial Products in IFSCs. The powers of RBI, SEBI, IRDAI and PFRDA are assigned to IFSCA for regulation of IFSCs. The GIFT IFSC is the maiden International Financial Services Centre in India.

Vision

To provide globally benchmarked regulatory environment and develop IFSCs with primary focus on accelerating India's economic development, besides serving as a regional and global financial hub.

Mission

To develop IFSCs into well-diversified and globally competitive financial hubs for international banking, insurance, capital market, and other allied financial activities through a pro-business environment, duly supported by a progressive regulatory architecture, advance technology and infrastructure, and talented financial professionals, which serve both the Indian economy and the region as a whole.

Goals & Objectives

1. To facilitate the development of a strong base of international financial services in India
2. To promote IFSCs as a dominant gateway for international capital flows into and out of India
3. To emerge as a regional and global hub for international financial services
4. To provide a conducive unified regulatory framework, with robust regulation and supervisory technology aligned with international best practices
5. To develop a strong global connect with leading international financial jurisdictions



CHAIRPERSON'S MESSAGE

The Financial Year 2024-25 marks a pivotal chapter for our organization and for India's financial sector, as the Government's bold reforms and strategic vision continue to redefine the landscape of international finance. GIFT City, India's first operational greenfield smart city and IFSC, stands at the forefront of this transformation, and I am pleased to share our progress and outlook in this momentous year.



Shri K Rajaraman
Chairperson, IFSCA

2. Hon'ble Prime Minister's vision of Viksit Bharat @2047 has gathered steam with deepening reforms focused on replacing the colonial legal architecture with new laws that suit the new millennium, simplification of regulations and deregulation in areas where regulations are not required, pump priming the manufacturing sector with production linked incentives and research funding, promotion of designing from India, Net Zero agenda focused on addition of 500 GW of renewable power capacity by 2030 and Net Zero emissions by 2070, infrastructure thrust focused on elimination of multi-dimensional poverty by saturation of basic infrastructure services across India and economic, social and financial inclusion programs.
3. Focus of GIFT IFSC for ViksitBharat@2047 is in facilitating global capital and financial services for initiatives described above. IFSC is a global financial centre that would host the best financial institutions across the world to provide cost efficient capital for corporate business houses, infrastructure companies, renewable energy firms and SMEs in India. Therefore, providing clear, consistent, unambiguous policies, laws and regulations is a sine qua non. Of these, providing tax clarity and certainty for financial institutions, financial services and financial products in IFSC is crucial. Hon'ble Finance Minister, through Budget 2025 and Finance Act, 2025, introduced a series of progressive reforms and tax policy enhancements that further strengthen GIFT IFSC's position as India's international financial gateway. Several important sunset dates for tax exemptions and incentives in IFSC have been extended to March 31, 2030¹.
4. Above-said reforms underscore Government of India's commitment to making GIFT IFSC a premier global financial centre. By removing operational bottlenecks, expanding tax incentives, and providing regulatory clarity has created a fertile ground for international banks, asset managers, fintech innovators, technology firms, aviation leasing and ship leasing firms to thrive. The progress of GIFT IFSC is evident in the numbers, as of March 2025, IFSCA authorised/registered/licensed 864² entities, across 35 business segments. Regulated entities in GIFT IFSC facilitated inward capital flows of nearly USD 50 billion till date into India via the banking and fund industry, of which USD 20 billion was in FY 2024-25.
5. Benchmarking IFSCA regulations, policies and legal frameworks with those in Global Financial Centres has been a consistent practice in law, regulation and policy making. All consultation papers delve into this dimension to assess how competitive GIFT-IFSC could be when financial products are eventually manufactured. Constant interaction with Global Regulators has been afforded by IFSCA's membership and participation in Regulatory platforms such as International Organisation of Securities Commissions (IOSCO), International Association of Insurance Supervisors (IAIS), International Organisation of Pension Supervisors (IOPS), Global Financial Innovation Network (GFIN), etc. This has helped IFSCA in accessing best practices in regulation and supervision.
6. Banking sector continued to scale new heights with 29 banks licensed to set up IFSC Banking Units (IBUs) as on March 31, 2025. Total banking assets as on March 31, 2025, reached USD 88.51 Bn with outstanding credit touching USD 59.95 billion. As of March 2025, of the total IBUs exposure, 74.5% was to India and 25.5% was to other countries, which shows scaling up of global impact by IFSC Banks. Of the 29 banks, 10 are Globally Systemically Important Banks (G-SIBs). IBUs have scaled up their operations with focus on trade finance, global and regional treasury centres, project finance, OTC derivatives, insurance corporate agent services, etc. IBUs have also commenced financing of aviation and shipping assets. With over 7500 Non-resident Indian (NRI) depositors' savings over USD 1.1 billion in IBUs, IFSCA will focus on serving more than 15.8 million NRIs across the world with a variety of useful financial products across banking, insurance, pension and capital markets.
7. IFSC Capital Markets continue to advance with the average monthly turnover of NSE IX GIFT NIFTY touching USD 93 billion in FY 2024-25. INDIA INX has launched the GIFT SENSEX, whose volumes are building up. The cumulative listing of debt securities in the two stock exchanges, INDIA INX and NSE IX, has crossed USD 65 billion. Direct listing of unlisted and listed Indian companies is likely to afford more

¹ Budget 2025

² Cumulative numbers as on March 31, 2025

investment options to investors. FinTech players in the capital markets have critical advances in scaling up access to retail investors. As of March 2025, over 65,000 Demat accounts have been opened for retail investors trading on IFSC stock exchanges with IFSC Depository.

8. The Fund industry has made great strides with 162 Fund Management Entities launching 229 funds as on March 31, 2025. Revision of Fund Management Entity Regulations provided simplifications including reduction in the minimum size of schemes, reduction in the investment size for portfolio management schemes, etc. The revisions were focused on reducing barriers to small investors, eliminating unnecessary approvals and reducing barriers for entry of smaller funds. 14 schemes have been redomiciled to GIFT IFSC from foreign jurisdictions. IFSC funds have cumulatively raised commitments of USD 15.7 bn from more than 3000 investors from over 50 countries and invested USD 8 billion.
9. During FY 2024-25, 18 IFSC Insurance Offices (IIOs) transacted USD 207.7 Mn as premium while 27 IFSC Insurance Intermediary Offices (IIIOs) wrote USD 302.6 Mn as premium. The total Reinsurance premium written in FY 2024-25 was USD 191.07 Mn. Direct insurance premium was USD 13.48 Mn. IFSCA is working with regulated entities to enable manufacture of important products such as trade insurance, non-payment insurance, etc., IFSCA will also focus on retail direct insurance products to serve 15.8 million NRIs and over 19.5 million Persons of Indian Origin (PIO) living across the world.
10. India's journey towards Net Zero @2070 would require significant capital resources for manufacturing, generation of renewable energy while also providing transition financing arrangements for large units in hard-to-abate sectors in switching to green technologies and processes. GIFT IFSC has been acting as a catalyst for Sustainable Finance as total sustainable credit extended by the IBUs during FY 2024-25 has reached the USD 3380 Mn mark and cumulative ESG debt listing on IFSC exchanges was USD 15.43 Bn. An *Expert committee on Transition Finance* was set up based on whose recommendations, a Transition Bond Framework is under preparation. IFSCA also released a regulatory framework enabling ESG ratings providers and ESG data service providers to offer services to regulated entities.
11. GIFT IFSC is also increasingly becoming a hub for niche businesses as the number of aircraft and ship lessors has increased to 32 and 24 respectively.³ With 242 aircraft assets, including 90 aircrafts, helicopters, trainers, etc., and 18 large ships including Large Crude, Ethane Carriers, being leased through GIFT IFSC, momentum has picked up with global shipping and Indian airline companies launching operations. Passage of the Protection of Interest in Aircraft Objects Act 2025 by Parliament has been a big step forward in fully acceding to the Cape Town Convention enabling lessors to face lower risks in leasing aircrafts to airlines.
12. All regulations in IFSCA are drafted through an intense consultation process as per IFSCA (Procedure for making regulations) Regulation 2021. Drafts of regulations are put out as part of this consultation. We intend to make this even more meaningful in certain complex regulations by organising physical or online consultation forums. An Annual Chintan Shivar was organised with participation of more than 40 CEOs in May & June 2024 providing deeper insights into market dynamics and suggestions for reform.
13. Ease of Doing Business is the corner stone of GIFT IFSC's competitiveness. IFSCA Single Window IT System was launched on September 16, 2024, by Hon'ble Prime Minister enabling complete electronic processing of applications. The SWIT is being further improved with SWIT 2.0 to be released in Q2 FY2026. A Task Force on EoDB, focussing on regulatory processes and difficulties faced by applicants within and outside IFSCA, submitted a report covering various aspects of IFSCA regulation, Companies Act, GST Act, SEZ Rules etc.
14. Strengthening supervision across all verticals has been a very important task of IFSCA. Strengthening supervision teams, building capacity through training programs and standardising reporting formats has enabled IFSCA supervision teams to plan and carry out effective offsite (report based) supervision and physical inspections. Enforcement division has also been established, and a few enforcement orders have been issued during FY 2024-25 sending a clear message to erring entities. In order to unambiguously convey regulatory expectations to regulated entities, an annual workshop of Compliance officers and other functionaries of regulated entities is being organised by all supervision teams.
15. I extend my gratitude to all our stakeholders for unwavering support and commitment. Together, we will shape a future of prosperity, resilience, and global leadership envisioned in the plans for Viksit Bharat @2047.

Let us embrace opportunities ahead with an open mind, confidence and determination.

³ IFSCA Business Highlights

MEMBERS OF THE AUTHORITY (As on 31.03.2025)



Shri K Rajaraman
Chairperson, IFSCA



Shri Pankaj Sharma
Member

Joint Secretary,
Department of Financial Services,
Ministry of Finance,
Government of India



Ms. Surbhi Jain
Member

Joint Secretary,
Department of Economic Affairs,
Ministry of Finance,
Government of India



Shri Pramod Rao
Member

Executive Director,
Securities and Exchange
Board of India



Shri Pramod Kumar Arora
Member

Member (Actuary),
Insurance Regulatory and
Development Authority of India



Shri R. Lakshmi Kanth Rao
Member

Executive Director,
Reserve Bank of India



Ms. Mamta Rohit
Member

Executive Director,
Pension Fund Regulatory and
Development Authority

SENIOR MANAGEMENT OF THE AUTHORITY

(As on 31.03.2025)

Name	Designation
Shri Praveen Trivedi	Executive Director
Shri Dipesh Shah	Executive Director
Shri Pradeep Ramakrishnan	Executive Director
Shri K Mahipal Reddy	Executive Director
Shri Supriyo Bhattacharjee	Chief General Manager
Shri Ashutosh Sharma	Chief General Manager
Shri Joseph Joshy C J	Chief General Manager
Shri Pradeep Deo	Chief General Manager

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Conventions used in this report

₹ : Rupees (Rs)
 Lakh : Hundred thousand
 Crore : Ten million
 Million (Mn) : Ten lakh
 Billion (Bn) : Thousand million/hundred crore
 Differences in total are due to rounding off and sometimes they may not exactly add up to hundred per cent.

This report can also be accessed on internet at: <https://www.ifsc.gov.in/>

ABBREVIATIONS

Particulars	
AD	Authorized Dealer
ADB	Asian Development Bank
ADR	Alternative Dispute Resolution
ADRC	Alternative Dispute Resolution Committee
AED	UAE Dirham
AGM	Annual General Meeting
AI	Artificial Intelligence
AIF	Alternative Investment Funds
AISP	Academic Infrastructure Service Provider
AML	Anti-Money Laundering
API	Application Programming Interface
ARCA	Archipelago Exchange
AUD	Australian Dollar
AUM	Assets Under Management
AWCS	Automated Waste Collection System
BATF	Book-keeping, Accounting, Taxation and Financial crime compliance
BCIC	Bangalore Chamber of Industry and Commerce
BFSI	Banking, Financial Services and Insurance
BLUT	Bond-cum-Legal Undertaking
BPSS	Board for Regulation and Supervision of Payment and Settlement Systems
BSE	Bombay Stock Exchange
BSEC	Bangladesh Securities and Exchange Commission
CAD	Canadian Dollar
CAGR	Compound Annual Growth Rate
CBI	Climate Bonds Initiative
CBOE	Chicago Board Options Exchange
CCIL	Clearing Corporation of India Limited
CDSL	Central Depository Services Ltd.
CEEW	Council on Energy, Environment and Water
CEO	Chief Executive Officer
CEPA	Comprehensive Economic Partnership Agreement
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India
CFT	Counter Financing of Terrorism
CHF	Swiss Franc
CIN	Corporate Identification Number
CKYCRR	Central KYC Records Registry
CME	Chicago Mercantile Exchange
CMI	Capital Market Intermediaries
COB	Conduct Of Business
COMEX	Commodity Exchange

CPI	Consumer Price Index
CPMI	Committee on Payments and Market Infrastructures
CPSE	Central Public Sector Enterprises
CRA	Credit Rating Agency
CRAR	Capital to Risk (Weighted) Assets
CTCR	Counter Terrorism and Counter Radicalization
DEA	Department of Economic Affairs
DFSA	Dubai Financial Services Authority
DGFT	Directorate General of Foreign Trade
DICGC	Deposit Insurance and Credit Guarantee Corporation
DIN	Director Identification Number
DKK	Danish Krone
DP	Depository Participant
DSCI	Data Security Council of India
DTA	Domestic Tariff Area
DTC	Depository Trust Company
EBA	European Banking Authority
ECB	External Commercial Borrowing
ECGC	Export Credit Guarantee Corporation of India Limited
EIOPA	European Insurance and Occupational Pensions Authority
EMDE	Emerging Market and Developing Economies
EMMOU	Enhanced Multilateral Memorandum of Understanding
EODB	Ease of Doing Business
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
ESMA	Essential Services Maintenance Act.
ETF	Exchange Traded Fund
ETP	Exchange-traded products
EU	European Union
EUR	Euro
EXIM	Export Import Bank of India
FATF	Financial Action Task Force
FC	Finance Company
FCSS	Foreign Currency Settlement System
FCY	Foreign Currency
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FICCI	Federation of Indian Chambers of Commerce and Industry
FIU	Financial Intelligence Unit
FME	Fund Management Entity
FPI	Foreign Portfolio Investment
FPO	Further Public Offer

GAO	Global Administrative Office
GBP	UK Pound Sterling
GDP	Gross Domestic Product
GFIN	Global Financial Innovation Network
GIC	Global In-house Centre
GIFT	Gujarat International Finance-Tec City
GNLU	Gujarat National Law University
GNPA	Gross Non-Performing Asset
GRCTC	Global/Regional Corporate Treasury Centre
GSTIN	Goods and Services Tax Identification Number
GSTN	Goods and Services Tax Network
GVA	Gross Value Added
HKD	Hong Kong Dollar
HKMA	Hong Kong Monetary Authority
IAIS	International Association of Insurance Supervisors
IBA	Indian Banks Association
IBBI	Insolvency and Bankruptcy Board of India
IBC	IFSC Banking Company
IBU	IFSC Banking Unit
ICAI	Institute of Chartered Accountants of India
ICEGATE	Indian Customs Electronic Gateway
ICES	Indian Customs EDI System
ICMA	International Capital Market Association
ICMAI	Institute of Cost Accountants of India
ICSI	Institute of Company Secretaries of India
IFSC	International Financial Services Centre
IFSCA	International Financial Services Centres Authority
IIBX	India International Bullion Exchange
IIDI	India International Depository IFSC Limited
IIIO	International Financial Service Centre Insurance Intermediary Office
IIO	International Financial Service Centre Insurance Office
IMF	International Monetary Fund
INR	Indian Rupee
IOSCO	International Organization of Securities Commission
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
ISP	Internet Service Provider
ITFS	International Trade Financing Services
IVCA	Indian Venture and Alternate Capital Association
JFSA	Japanese Financial Services Authority
JPY	Japanese Yen
LAN	Local Area Network
LBMA	London Bullion Market Association
LPTM	Limited Purpose Trading Member

LRS	Liberalised Remittance Scheme
MAS	Monetary Authority of Singapore
MCA	Ministry of Corporate Affairs
MCLR	Marginal Cost of Funds-based Lending Rate
MCX	Multi Commodity Exchange
MII	Market Infrastructure Institutions
MIS	Management Information Systems
MSME	Ministry of Micro, Small & Medium Enterprises
MUFG	Mitsubishi UFJ Financial Group
NASDAQ	National Association of Securities Dealers Automated Quotations
NASSCOM	National Association of Software and Service Companies
NBFC	Non-Banking Financial Company
NDF	Non-Deliverable Forward
NIC	National Informatics Centre
NICCL	NSE IFSC Clearing Corporation Limited
NIFTY	National Stock Exchange Fifty
NITI	National Institution for Transforming India
NPS	National Pension System
NRI	Non-Resident Indian
NSCS	National Security Council Secretariat
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
NSEIX	NSE International Exchange
ODI	Offshore Derivative Instruments
OEC	Offshore Education Centres
OFS	Offer For Sale
OIS	Overnight Indexed Swaps
PAN	Permanent Account Number
PCI	Payment Council of India
PDEU	Pandit Deendayal Energy University
PFRDA	Pension Fund Regulatory and Development Authority
PMS	Portfolio Management Services
POSH	Prevention of Sexual Harassment
PRC	Performance Review Committee
PSO	Payment System Operator
PSP	Payment Service Provider
PSS	Payment & Settlement Systems
QCI	Quality Council of India
QFMA	Qatar Financial Markets Authority
RBI	Reserve Bank of India
REIT	Real Estate Investment Trust
RFP	Request For Proposal
ROE	Return on Equity
RTI	Right To Information

RTP	Remote Trading Participants
RUB	Russian Ruble
SCB	Scheduled Commercial Banks
SEBI	Securities And Exchange Board of India
SENSEX	Stock Exchange Sensitive Index
SEZ	Special Economic Zone
SGD	Singapore Dollar
SGF	Settlement Guarantee Fund
SGX	Singapore Stock Exchange
SLA	Surveyor and Loss Assessor
SNRR	Special Non-Resident Rupee Account
SPV	Special Purpose Vehicle
STEM	Science, technology, engineering, and mathematics
STPI	Software Technology Parks of India
SWITS	Single Window IT System
TCM	Trading and Clearing member
TERI	The Energy Research Institute
TM	Trading member
TMCM	Trading Member/Clearing Member
TRQ	Tariff Rate Quota
TSCM	Trading cum Self Clearing Member
UAC	Unit Approval Committee
UAEGD	UAE Good Delivery
UAEGDCEPA	United Arab Emirates Good Delivery Comprehensive Economic Partnership Agreement (CEPA)
UAEGDTRQ	UAE Good Delivery Tariff Rate Quota
UK	United Kingdom
UNDP	United Nations Development Program
USA	United States of America
USD	United States Dollar
USIBC	US-India Business Council

SECTION-B

THE YEAR IN REVIEW: OVERVIEW
OF THE GENERAL ECONOMIC ENVIRONMENT

The Year In Review

Global Economy Assessment and Outlook

2024 was a year of turbulence as many major economies such as India, U.S.A and Indonesia underwent elections, public anticipation around election outcomes lead to volatility in markets and economic instability.

The Global Economic Policy Uncertainty Index reflects this sentiment as well, the year started with the index at a comparatively lower level of 200.46 in February 2024 but rose rapidly, reaching 548.89 in February 2025.⁴

Supply chain disruptions which were a far-reaching consequence of geopolitical tensions in Ukraine and Suez Canal continue to slow down global manufacturing and external demand to this day.

The monetary stance globally is observed to have been easing over the last year as seen on the CFR's Global Monetary Policy Tracker⁵. In January 2024, the overall global monetary stance was neutral (-0.36) however, major economies such as U.S (5.3), Russia (8.5), India (2.5) and Australia (4.3) were all observed to be tightening⁶ barring China (-3.1). However, by January 2025 (-8.31), many economies started easing, some economies like U.S (-0.5), China (-3.5) more than others such as Russia (13.5), India (2.5), Australia (4.3).

The world is projected to grow at 3.3 percent both in 2025 and 2026. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.⁷

Financial Markets Performance

Banking Industry

Globalisation, especially in the financial world has opened multiple avenues for borrowing, however, it has also exposed the borrower to global risk factors.

During the first half of FY 2024-25, Growth jitters were prevalent among investors, a major factor behind this was disturbances in Japan and Europe. In Japan this was caused due to the abrupt monetary tightening decision undertaken by the Bank of Japan after nearly two decades and in Europe it was due to anticipations surrounding elections in United Kingdom, France and Germany. The period was also characterised by a synchronised decline in short term yields.

As a result, frantic de-risking and de-leveraging had initiated in the financial markets. This volatility in the markets was, however, short lived and the markets soon recovered, this was a clear indicator of acute market sensitivity to investor sentiment. Markets are extremely prone to the ever-changing perceptions of investors about the economy.

⁴ Economic Policy Uncertainty Index, Stephen J. Davis, an index of global economic policy uncertainty, National Bureau of Economic Research working paper number 22740, Oct 2016

⁵ CFR's Global Monetary Policy Tracker compiles data from 54 countries around the world to highlight significant global trends in monetary policy and uses a scale from -15 (representing easing) to 15 (representing tightening), a negative figure represents a tightening stance and vice versa.

⁶ CFR's Global Monetary Policy Tracker

⁷ World Economic Outlook, IMF, Jan 2025

Compared to equity markets, the volatility in credit markets was of lesser intensity. In both America and Europe, the credit spreads compressed.

In the third quarter of C.Y 2024, the global foreign currency credit in the three major currencies increased slightly, Dollar credit to non-banks outside US increased by \$89 billion. Euro credit to non-banks increased by €157 billion and Yen credit to non-banks outside Japan increased by ¥263 billion.⁸

Cross-border credit to emerging market and developing economy (EMDE) borrowers rose by \$35 billion (3.8% yoy). In comparison to last year, banks' cross border claims rose by 3.4% i.e. \$629 billion. The increase in cross border credit was brought about by a \$704 billion increase in lending to non-bank sector. The Cross-border credit to non-bank financial institutions (NBFIs) recorded a growth of \$495 billion displaying an annual growth rate of 14%, which is its highest annual growth rate since Q3 2019. Cross-border credit to the non-financial sector (NFS) also grew strongly, expanding by \$209 billion during the quarter (+11% yoy).

During the period between December 2024 and February 2025, the disturbances in US and Japan started returning to normalcy post US elections and with central bank of Japan signalling normalising of monetary policy in the near future and the inflation started returning to target levels.

Between December 2024 to February 2025 varied conditions prevailed across the globe, the policy rates across major economies fell and the long-term yields rose. In the emerging economies however, the overall sentiment was subdued as they were still experiencing uncertainty owing to global political factors and volatility in technology stocks.⁹

Capital Markets

The effects of geo-political tensions and supply chain disruptions cascade well into the future, as was observed in FY 2025. There was substantial change in the monetary policy around the world, there was monetary relaxation in US and Europe. However, Emerging Markets have been performing consistently well in the last two decades and India has been one of the countries at the forefront of this growth along with China and Brazil.¹⁰

The trajectory of growth and inflation around economies remained contrasting, in the US, there was sound economic growth in the starting of the year, but the inflation has remained high whereas in Europe, the overall inflation level has gone down but there is a slowdown.

Many positive trends were observed during the beginning of FY 2025; In comparison to FY 2024, the trading value increased by 15.5% and trading volume 9.6% respectively, the global equity market capitalisation increased by 5% to USD 116.12 trillion. Global markets hosted seven unicorns in the first half of this year. The number of Initial Public Offerings (IPOs) and capital raised through IPOs however, decreased by 24.2% and 10% globally. There was also an increase in volume of exchange traded derivatives which amounted to the largest number in the last five years at 85.04 billion contracts.¹¹

⁸ BIS Global liquidity indicators

⁹ Quarterly Review, March 2025, BIS

¹⁰ "Global Equity Investing through the decades", April 2025, MSCI

¹¹ Market Highlights, 2024, World Federation of Exchanges

Funds Industry

The global asset management industry reached a record \$128 trillion in assets under management (AuM) in C.Y 2024, up 12% from the previous year.¹²

Robust market performance was the primary driver of this growth. Key indices, including the S&P 500 and NASDAQ, posted substantial annual gains of 23% and 29%, respectively. As a result, global industry revenues increased by \$58 billion, with over 70% of this growth (\$42 billion) attributed to market appreciation, while only 30% (\$16 billion) stemmed from net inflows.¹³

Alternative assets, particularly those focused on private investments, now account for over half of global asset management revenues, despite representing less than 25% of total assets under management (AuM). Between 2014 and 2024, the aggregate AuM of private equity, private debt, real estate, and infrastructure funds grew at a compound annual growth rate (CAGR) of 11.1%. This significantly outpaced the broader asset management industry's CAGR of 6.5% over the same period, when excluding these asset classes. The robust expansion of private assets is driven by consistent outperformance and sustained investor demand. Both institutional investors and asset managers remain highly motivated to capitalize on this momentum.¹⁴

Popularization of ETFs is another trend that is observed globally, over the past decade, assets under management (AuM) in active exchange-traded funds (ETFs) have grown with a compound annual growth rate (CAGR) of 39% globally. This strong growth reflects investor interest in active ETFs, which offer the potential for similar performance to active mutual funds since both aim to outperform the market yet typically come with significantly lower fees. On average, active ETFs charge 0.64% in fees, compared to 1.08% for mutual funds, making them a more cost-efficient choice for investors.¹⁵

Overall, the global asset management industry continues to evolve rapidly, marked by record-breaking AuM, strong market-driven revenue growth, and a pronounced shift toward alternative and cost-efficient investment vehicles.

Insurance Industry

The global economy is currently facing a complex set of problems such as risk of a trade war between US and China, increased market concentration (the “Magnificent 7” stocks now represent around 32% of the S&P500 total market capitalisation, up from just 9% in January 2015)¹⁶ and contrasting monetary policies between developed economies. These events can have an indirect impact on the insurers in the form of higher claim costs. The insurance industry is thus navigating a landscape shaped by economic growth, evolving risk profiles, and strategic capital management.

Insured losses from natural catastrophes were at least USD 95 billion in 2024 and are expected to exceed \$135 billion in 2025, marking the fifth consecutive year of losses over \$100 billion. This trend underscores the increasing impact of climate change and urbanization on insurance losses.¹⁷

¹² "From Recovery to Reinvention", 2025, BCG

¹³ Ibid

¹⁴ Ibid

¹⁵ Ibid

¹⁶ Global economic and insurance market outlook ,2025-26, Swiss RE

¹⁷ Ibid

Both developed and emerging markets are set to record improved profitability in FY 2025, in the US it will be nudged by continued annuity inflow, in UK by pension de-risking supported by regulatory changes, In Japan it is supported by consistent underwriting results and in India it will be driven by strong economic growth, with rising demand for auto insurance, health coverages and government support for crop insurance.¹⁸

Global total insurance premiums are predicted to increase by 2.6% on average in real terms in 2025 and 2026, well above the last 5-year average of 1.6%.¹⁹

Life Insurance

Life insurance premiums are anticipated to grow by 3% in real terms in 2025-26, supported by higher interest rates boosting demand for savings products. The growth trend is expected to continue over the decade and the global life insurance premiums reaching the USD 4.8 trillion mark by 2035.²⁰

Non-Life Insurance

Global non-life premiums are projected to grow by 2.3% over the 2025-26 period, down from 4.3% growth rate in 2024, as insurance prices moderate alongside easing claims inflation.²¹ However, the sector's return on equity (ROE) is expected to improve to around 10% in both 2024 and 2025, surpassing the 10-year average of 6.8%.

Reinsurance

Global reinsurance dedicated capital reached USD 769 billion at the end of 2024, marking a 5.4% increase from the previous year.²²

The traditional reinsurance capital is set to increase by 6% in 2025, supported by continued strong profitability.²³

Reinsurance revenue grew by 8.1% in 2024, supported by higher rates in property and casualty reinsurance.²⁴

The insurance and reinsurance industries are expected to maintain resilience through robust capitalization which provides a buffer against potential shocks, underwriting discipline and enhanced modelling and risk assessment necessary to address the increasing frequency and severity of natural catastrophes. Overall, while challenges persist, the industries are positioned to navigate FY 2025 with cautious optimism, leveraging strong capital bases and strategic risk management.

¹⁸ Global economic and insurance market outlook ,2025-26, Swiss RE

¹⁹ Ibid

²⁰ Ibid

²¹ Ibid

²² Reinsurance Market Report , 2024, Gallagher RE

²³ Ibid

²⁴ Ibid

Bullion

The global precious metals market is projected to grow from USD 327.47 billion in 2025 to USD 533.12 billion by 2032, with a compound annual growth rate (CAGR) of 7.2% over the forecast period. Gold is expected to remain the dominant segment by metal type, accounting for over 40% of total market share in 2025.²⁵

Metals find applications in various industries such as in automotives, electronic industry etc. Within applications, the jewellery segment is forecast to generate approximately USD 117.56 billion in revenue by 2025. The Asia Pacific region is poised to lead the global market, capturing more than half of the total share in 2025, driven by strong industrial activity and a thriving jewellery industry.²⁶ North America, led by the United States, on the other hand is anticipated to be the fastest growing region during the forecast period.²⁷

One of the key growth drivers is the surging demand for gold and silver jewellery, particularly in markets such as India and China. Precious metals namely gold, silver, platinum, and palladium continue to play a critical role in the jewellery sector, where they are extensively used in crafting earrings, necklaces, and other adornments.²⁸

Global Silver Jewellery fabrication by 2024 end staged a partial recovery from the previous year's heavy losses, growing by 3% to 208.7Moz (6,491t), despite the jump in silver prices²⁹

In countries like India, gold jewellery consumption remains robust, fuelled by cultural and seasonal demand, such as weddings and festivals, as well as its appeal as a long-term investment. Despite rising prices, gold demand in India increased by 5% in 2024 end, reaching 802.8 tonnes³⁰

The combination of cultural significance, aesthetic value, and investment potential continues to support strong consumer appetite for precious metal-based jewellery, thereby bolstering overall market growth.

In conclusion, increasing tariffs and ongoing trade disputes could drive up inflation and reduce global trade activity. The need of the hour is to strive for better global co-ordination of economic policies.

India: Economic Assessment and Prospects

Gross Domestic Product

India is projected to be the fastest growing large economy in both FY26 and FY27, it is expected to vastly surpass the global growth rate (2.7% in FY 26) by growing at the rate of 6.7%.³¹ A consistently performing services sector has a huge contribution to India's steady growth and resilience against shocks, although there are variations in performances within the services sector in the last year, it has provided momentum to the Indian economy in face of supply chain disruptions that have impacted goods exports and thus the countries largely dependent on exports

²⁵ Precious Metals, May 2025, CMI - Globe Newswire

²⁶ Ibid

²⁷ Ibid

²⁸ Ibid

²⁹ World Silver Survey, 2025, The Silver Institute

³⁰ Goldhub Data, 2025, World Gold Council

³¹ World Bank Group, Global Economic Prospects, 2025

of such goods. The overall status of the economy is positive as reflected in increasing private investments and access to credit and lowering inflation.

The International Monetary Fund projects growth in India to grow at the rate of 6.5% in FY 2025 and 2026, driven by private consumption and private investment on the back of visionary government schemes to propel infrastructure development and economic growth.³²

Inflation

The inflation rate based on All India Consumer Price Index for FY 2025 (March 2025 over March 2024) was 3.34%. The food inflation (All India Consumer Food Price Index) for the same review period was 2.69%. The corresponding rates for rural and urban were 2.82% and 2.48%, respectively.³³

India's Consumer Price Index (CPI) inflation eased to a 7-month low of 3.6% in February 2025, primarily due to a significant drop in food and beverage prices, especially vegetables. This marks a notable moderation from previous months.³⁴

Despite the overall decline, core inflation (which excludes volatile food and fuel items) crossed the 4% mark for the first time in 14 months, reaching 4.08%. This suggests that while headline inflation is moderating, underlying price pressures remain persistent.³⁵

The share of imported inflation, which is the rise in domestic prices caused by an increase in the cost of imported goods and services rose sharply from 1.3% in June 2024 to 31.1% in February 2025, driven by higher prices of precious metals, oils, and fats. This shift highlights growing external price pressures despite domestic moderation.³⁶

Thus, despite easing trends, checks should remain as risks from imported inflation and potential rupee depreciation could add upward pressure on prices going forward.

Financial Markets

Banking Sector

The banking sector continued to be stable, asset impairments reduced, and capital buffers were robust. The Gross non-performing assets (GNPAs) fell to its lowest in 12 years at 2.6% (of gross loans and advances).³⁷

A Capital to Risk Weighted Assets Ratio (CRAR ratio) of 16.7% which is above the norm for scheduled commercial banks (SCBs) is indicative of a strong capital position; it implies that the SCBs have a robust capital buffer, indicating their ability to absorb potential losses and maintain stability.

³² IMF, World Economic Outlook update, Jan 2025

³³ CPI numbers press release, March 2025, MoSPI

³⁴ Inflation and Economic Trends in India, March 2025, PIB

³⁵ Ibid

³⁶ Ibid

³⁷ FSR, Dec 2024, RBI

Increased profitability is evident by significant increases in PAT (22.2 % YoY), RoE, and RoA, suggesting that SCBs are efficiently managing their operations, improving their financial health, and enhancing shareholder value.

With strong capital positions and improved profitability, SCBs are well-positioned to support economic growth by increasing lending and providing credit to viable borrowers.³⁸

Insurance and Re-Insurance Sector

The Indian insurance industry has demonstrated robust growth and transformation over the past decade, marked by rising penetration, expanding product offerings, and increasing competition. The sector comprises both life and general (non-life) insurance providers, including a growing number of foreign reinsurers and specialized health insurers. As of March 31, 2024, the total number of insurance companies stood at 73, reflecting a steady entry of new players and diversification within the industry.

The number of insurer offices increased up from 21,173 last year to 21,338. Insurance Penetration in India fell slightly from 4.0% in 2022-23 to 3.7% in 2023-24. However, Insurance Density rose from \$92 to \$95 per capita, showing continued growth in average insurance spend per person. Total industry premium grew from Rs.10,39,398 crore to Rs.11,19,613 crore (+7.7%), underlining robust business expansion.

In total, the insurance industry paid out Rs.7,49,311.8 crore in claims in 2023-24, up from Rs.6,46,178.1 crore in 2022-23 (+15.9%), reflecting both higher business volumes and increased claims activity, especially in health and life segments. Profitability rebounded sharply, with profit after tax rising from Rs.40,222.3 crore to Rs.57,526 crore (+43.1%). Assets Under Management (including Reinsurers & FRBs) in 2023-24, increased from Rs.60,04,209.7 crore to Rs.67,57,960.5 crore (+12.5%), highlighting strong investment growth.

In comparison to 2022-23, the life insurance segment, the total premium increased from Rs.7,82,504 crore to Rs.8,29,929.5 crore (+6.1%). Total benefits paid rose from Rs.4,96,865.1 crore to Rs.5,77,021.4 crore (+16.2%) and the profit after tax improved from Rs.42,788 crore to Rs.47,407.3 crore (+10.8%).

In the General Insurance Segment on the other hand, insurance penetration increased to 1% in 2023-24, up from 0.8% in 2013-14, showing gradual but steady growth. Within the segment, Health Premium saw the fastest growth, from Rs.97,663.5 crore to Rs.1,16,693.9 crore (+19.5%).

The outlook for the Indian insurance industry thus remains positive, underpinned by favourable demographics and a growing middle class and a supportive regulatory environment.

³⁸ FSR, Dec 2024, RBI

Capital Markets

There were 320 IPOs amounting to Rs 1.72 lakh crores.³⁹ Total preferential allotments listed at BSE and NSE amounted to Rs 84,084 crore. The market capitalisation in cash segment of NSE (in crores) increased from Rs.3,86,97,100 in 2023-24 to Rs. 41,287,647 in 2024-25.

Indian capital markets are poised for steady growth in the coming fiscal year, experts predict a NIFTY Fifty returns of 12-15% in FY 26 and investors resonate the sentiment as reflected in FPI investments in Indian equities which crossed USD 4 billion recently and although global uncertainty and instability may persist, but equities are projected to emerge as the best performing asset class.⁴⁰

Funds Industry

The Indian funds industry witnessed robust growth in 2024, underpinned by strong retail participation and technological advancements.

Monthly SIP (Systematic Investment Plan) inflows reached Rs.15,000 crore, marking a 20% year-on-year increase. The number of active SIP accounts crossed 68 million, underscoring the growing reliance on mutual funds for long-term wealth accumulation. The alternative investment market, including REITs and AIFs, saw assets under management (AUM) rise to Rs.6.4 lakh crore, expanding at an 18% CAGR. These instruments gained popularity among high-net-worth individuals (HNIs) and family offices as effective hedges against market volatility.⁴¹

ESG (Environmental, Social, and Governance) investments experienced a 30% annual rise in inflows since 2020, with ESG-focused AUM estimated to reach ₹5 lakh crore by 2025. Regulatory mandates for ESG disclosures further boosted interest in sustainable investment.⁴²

The Wealth Tech market is projected to exceed \$60 billion by 2025, growing at a 12–15% CAGR. AI-driven platforms will further democratize access to sophisticated investment tools and hyper-personalized portfolio management.⁴³

Retail participation through SIPs is expected to remain strong, supported by rising financial literacy and digital onboarding. The mass affluent segment (assets between ₹25 lakh and ₹5 crore) is projected to grow by 35% by 2025, driving demand for bespoke and flexible investment solutions.⁴⁴

The Indian funds industry is thus entering a phase of accelerated transformation, driven by technology, sustainability, and diversification.

³⁹ Monthly Bulletin, April 2025, SEBI

⁴⁰ Capital Market outlook, May 2025, Mint Markets

⁴¹ Investing in 2025, ET Markets

⁴² Ibid

⁴³ Ibid

⁴⁴ Ibid

Bullion

Gold

Asia comprises one of the biggest gold markets around the world owing to large demand from India and China. In India, gold demand is driven by the function that the metal is serving in various capacities such as investment, jewellery, auspicious purchase etc., Thus, along with its intrinsic and investment value, also has festive value.⁴⁵

The demand for the metal is thus driven by consumer sentiment around each of this function. For the investment function, in bar and coin segment, demand in India is expected to weaken slightly.

Gold prices witnessed volatility and reached record high; as a result, jewellery demand in India shrank. However, due to resilient demand in India, the decline was limited to 2%. For the second time in last three years, India overtook China to be the largest jewellery market. It is expected that the demand from weddings will stabilise demand.

The government discontinued the medium- and long-term options under the Gold Monetisation Scheme in March 2025⁴⁶, citing poor participation and evolving market conditions.

Total import of gold bullion in 2024-25 was 812.22 tonnes and USD 48.5 billion in value.⁴⁷

Silver

Silver prices hit a record high of ₹102,040/kg in March 2025 before correcting. Indian silver ETP holdings saw their lowest monthly inflow since December 2023, suggesting some cooling in silver investment demand.⁴⁸

One of the components of silver demand is caused by its applications linked to artificial intelligence, photovoltaic sector, automobiles etc. With an increase of 4% in the industrial uptake, India was the second largest contributor to silver demand in 2024.⁴⁹

In the coin and net bar component of the silver demand, India was again a big contributor as opposed to other countries, its 21% rise took coin and bar demand to its highest level since 2015.⁵⁰

Silver futures turnover on the Multi Commodity Exchange of India (MCX), increased by 5%, while options trading grew more than double (YoY) as high price volatility drove interest in flexible options contracts. Turnover on the International Bullion Exchange (IIBX) also improved significantly to 36.2Moz (1,127t) in 2024, representing 16% of total imports into the country.⁵¹ Imports into India of silver in 2024-25 amounted to 7,669.40 tonnes, valued at USD 3.39 billion.⁵²

⁴⁵ Gold Demand Trends, 2024, World Gold Council

⁴⁶ India Focus Monthly, March 2025, Metals Focus

⁴⁷ DICGS data

⁴⁸ Ibid

⁴⁹ World Silver Survey, 2025, The Silver Institute

⁵⁰ Ibid

⁵¹ World Silver Survey, 2025, The Silver Institute

⁵² DICGS data

Fiscal Developments

External Sector

Even though there were uncertainties in the business environment, India's services exports remained resilient. The investment inflows and the balance of Payments position also remained stable. Total exports, both merchandise and services have been growing steadily, reaching USD 602.6 billion. In the first nine months of F.Y. 2025, there was a growth of 10.4% (excluding petroleum and gems and jewellery). Imports on the other hand reached USD 682.2 billion.⁵³

A rise in repatriation/ disinvestment was observed during the first 8 months, causing a decline in net FDI inflows. Gross FDI inflows however displayed signs of revival. Services sector (including Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, and Tech. Testing and Analysis, Other.) continued to be the largest recipient of FDI.⁵⁴

India's Foreign Exchange reserves reached USD 640.3 billion (as of Dec 2024), a strong buffer against India's external debt of USD 711.8 billion.⁵⁵ The Current Account Deficit reduced slightly to 1.2% of the GDP in Q2. Remittances by Indians employed overseas reached USD 31.9 billion up from USD 28.1 billion last year and were the biggest contributor to net transfers.⁵⁶ External debt to GDP ratio landed on 19.4% at the end of September 2024.⁵⁷

Net capital inflows were recorded at USD 30.5 billion in the second quarter of F.Y. 25, a significant increase from the USD 12.8 billion recorded during the same time frame in the previous year. This rise was mainly due to increased FPI inflows, external commercial borrowings, and NRI deposits.⁵⁸

The net inflows from External Commercial Borrowings (ECBs) increased to USD 9.2 billion between April to October 2025, increasing substantially from the last year's level of USD 2.8 billion. Similarly, Non- Resident Indian deposits increased from USD 5.4 billion in H1 2024 to USD 10.2 billion during H1 2025.⁵⁹

Overall, despite facing several headwinds throughout the year, the Indian economy demonstrated resilience, driven by strong capital formation and vibrant manufacturing activity. This growth was further supported by a robust banking sector and a steady, well-managed monetary policy. While policymakers must remain vigilant in light of ongoing global uncertainties, the outlook for the Indian economy remains optimistic, with expectations of sustained rapid growth in the coming years.

⁵³ Economic survey, 2024-25, MoF, GoI

⁵⁴ Ibid

⁵⁵ Ibid

⁵⁶ Ibid

⁵⁷ Ibid

⁵⁸ Ibid

⁵⁹ Ibid

GIFT – International Financial Services Centre

The GIFT IFSC covers following verticals

Banking

Banking sector is one of the most important pillars of an international financial centre both as a financial intermediary and as a provider of key services to other financial institutions. The vibrant banking ecosystem in GIFT IFSC today comprises both foreign and domestic banks set up as branches of the parent bank called IFSC Banking Units (IBUs).

The IFSCA Banking regulations notified in November 2020 and directions / guidelines issued thereunder were aimed at enabling and facilitating various banking activities generally carried out by internationally active banks in international financial centres across the globe while ensuring a smooth transition from the RBI guidelines that were applicable prior to the IFSCA Banking Regulations.

With a view to further enhancing 'ease of doing banking business' in GIFT IFSC, the Authority issued the IFSCA Banking Handbook which acts as a compendium of all the detailed directions of the Authority to the IBUs operating in GIFT IFSC. IFSCA Banking Regulations were amended in June 2022, to allow Global Administrative Office (GAO) to be setup in IFSC.

Finance Companies

Finance Companies/Units (FCs/FUs) play a crucial role in providing non-banking financial intermediation services in the IFSC. FCs/FUs are allowed to undertake activities similar to those enabled for the IBUs in IFSC except raising public deposits, thus complementing the role of the IBUs in terms of providing financial services.

The FCs/FUs are governed under the IFSCA (Finance Company) Regulations, 2021 with an objective to provide a risk-focused competitive environment for financial institutions, ensuring fairness, transparency and efficiency while being aligned to international standards. The core activities include lending, investments, trading in Derivatives, acting as a Global/ Regional Corporate Treasury Centre (GRCTC) and undertaking Factoring/ Forfaiting activities. Regulations have also enabled specific activities in the IFSC which includes undertaking leasing of aircrafts, ships, and other equipment notified by IFSCA, setting up of Global and Regional Treasury Centres and International Trade Finance Platforms (ITFS Platforms).

Capital Markets

The capital markets ecosystem in GIFT IFSC aims to position India as a global financial hub by providing a robust and efficient infrastructure which includes advanced international stock exchanges, robust clearing and settlement systems and a diverse range of financial products such as equities, debt instruments, and derivatives. Regulated by the International Financial Services Centres Authority (IFSCA), GIFT IFSC offers best-in-class regulatory framework, streamlined processes, and attractive tax incentives to create a conducive environment for global investors and financial entities across the globe.

The capital market ecosystem in GIFT IFSC comprises of two International Stock Exchanges (India INX and NSE IFSC) offering trading in various product categories including Index Derivatives, Equity Derivatives, Currency Derivatives, and Commodity Derivatives.

GIFT IFSC has also become the preferred destination for Indian issuers looking for raising global debt, including for green, social, sustainable and sustainability linked debt securities.

Fund Management

A robust Fund Management industry along with a well-developed supporting ecosystem is pivotal to the growth of capital markets. With a view to develop GIFT IFSC as a preferred jurisdiction for global fund management industry, IFSCA notified the Fund Management Regulations in April 2022, which came into effect in May 2022. The regulations were thoroughly revised in 2025. The Regulations have adopted global best practices and facilitate innovation and promote ease of doing business in IFSC.

Earlier, pooling of global capital for investments into India was predominantly undertaken through funds set up in overseas financial jurisdictions. In the short span of time since these regulations have come into effect, GIFT IFSC is emerging as a preferred jurisdiction for pooling global funds for investments into India as well as overseas, on account of best-in-class regulatory architecture and competitive tax regime.

Metals and Commodities

India, being one of the largest gold importers and consumers, is poised to enhance its role in the global precious metals market through the establishment of the International Bullion Exchange at GIFT IFSC. This initiative originated from the NITI Aayog's 2018 report on transforming India's gold market and was announced in the 2020 Union Budget.

The IFSCA formalized regulations for the Bullion Exchange in December 2020, leading to the creation of the India International Bullion Exchange (IIBX) by a consortium of five major Market Infrastructure Institutions (MIIs) in India and the GIFT IFSC. IIBX was formally launched by the Hon'ble Prime Minister on July 29, 2022. The idea behind IIBX is to create a vibrant marketplace and to develop a transparent Exchange model to determine the price of various metals and commodities within the country, including precious metal such as gold, silver etc, thus making India a price setter rather than a price taker in the global market.

FinTech Hub

In the last few years, India has shown its mettle in the FinTech space, the bright young Indian talent with expertise in IT and Finance have created cutting edge innovations in the field of Financial Technology and positioned India as a global front runner in the FinTech ecosystem. GIFT IFSC is strategically positioned to propel the Indian fintech ecosystem onto the global FinTech stage.

Insurance

Insurance business is one of the most important segments IFSC for developing the essential ecosystem of a financial market and providing insurance solutions to a global clientele.

IFSCA has enacted a world class and comprehensive regulatory framework for the insurers, reinsurers, and insurance intermediaries in IFSC focusing on ease of doing business. These regulations cover the aspects relating to registration of insurance business, manner of receipt of premium, designing of insurance products, investment of assets, preparation and presentation of financial statements, appointment and duties of appointed actuary, maintenance of information and records for inspection and investigation, inward and outward reinsurance operations, solvency margin etc.

While the growth in the domestic insurance market will enhance insurance inclusion and enable building large pools for Indian insurers, it also necessitates developing reinsurance capacities. GIFT IFSC, with its incentives and regulatory support, is well-positioned to develop these capacities for both Indian and global markets. Additionally, the global Indian diaspora offers significant opportunities for insurance entities to provide tailored health, life, and travel insurance products by establishing operations in GIFT IFSC.

Global In-house Centres

In the last two decades, India has emerged as a leading hub for Global In-house Centres (GICs) owing to its inherent strengths such as availability of highly skilled talent pool and competitive cost of operations. Essentially, GICs are offshore centres that perform designated in-house functions for large corporates and organizations. Over the years, GICs have started playing a strategic role at global level and have evolved as innovation centres offering advanced services in areas such as analytics, risk management, fraud prevention, etc.

To enable the GIC business in GIFT IFSC, the Central Government notified GICs as a financial service under the IFSCA Act, 2019 to provide services relating to financial products and financial services. Subsequently, IFSCA notified the Global In-House Centres Regulations, 2020 which permitted entities belonging to any financial services group to set up a GIC in the IFSC. There are multiple institutions that have established GICs in the GIFT-IFSC.

Sustainable Finance

Since its inception, IFSCA is catalysing global sustainable capital flows by creating a conducive regulatory environment especially in the areas of Debt Securities, Loans, and Funds. India has committed to achieving net-zero emissions by 2070, as announced at COP26. Meeting this goal will require substantial funding, estimated at USD 10 trillion, and GIFT IFSC is positioned to play a significant role in facilitating sustainable finance initiatives.

Ancillary services

Professional services firms are quintessential for the development of an international financial centre as they aid and assist the delivery of financial services such as Audit and Accountancy, Taxation, Legal, Consulting and Advisory services etc. Globally, the growth of financial firms and financial markets are predicated on the growth and concentration of high-quality professional services firms.

Considering the inherent importance of professional services firms in developing a robust financial services market in GIFT IFSC, IFSCA in February 2021 issued the framework for enabling Ancillary Services at IFSC.

Foreign Universities and Institutions

The Hon'ble Union Minister of Finance in the Union Budget 2022-23 announced, "World Class Foreign Universities and Institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics, free from domestic regulations, except those by the IFSCA to facilitate availability of high-end human resources for financial services and technology".

Pursuant to the Announcement, the Ministry of Finance notified courses offered in Financial Management, FinTech, Science, Technology, Engineering and Mathematics by foreign universities or foreign institutions in the IFSC as 'Financial Services'. This policy enabled foreign universities and foreign educational institutions setting up campuses in IFSCs under the purview of IFSCA Act, 2019. Subsequently, IFSCA notified enabling regulations i.e. IFSCA (Setting up and operation of International Branch Campus and Offshore Education Centre) Regulation, 2022.

Deakin University and University of Wollongong from Australia became one of the first foreign universities to be granted a Certificate of Registration (CoR) for their International Branch Campus in GIFT IFSC. Further, IFSCA has also granted in-principle approvals to Coventry university and Queen's University from U.K.

Annual Business Highlights

As on March 31, 2025, IFSCA has registered 864 entities across sectors, such as 29 IBUs, 162 FMEs etc. The annual business expansion and growth in the IFSC is evident in the latest key statistics presented below:

IFSC BUSINESS HIGHLIGHTS

Total IFSCA Registrations **864***



Banking Sector

Banking Assets

USD (\$) **88.51 Bn**
(as on Mar 31, 2025)

Cumulative Banking Transaction

USD (\$) **448.49 Bn**
(During FY 2024-25)

Cumulative Derivatives trade
(including NDF)

USD (\$) **398.36 Bn**
(During FY 2024-25)



Capital Market

Avg. Monthly Turnover
(IFSC Exchanges)

USD (\$) **93.76 Bn**
(During FY 2024-25)

Cumulative Debt Listing
on Exchanges

USD (\$) **65.10 Bn**
(upto Mar 2025)

Aggregate Open
Interest of all
Derivatives Contract

USD (\$) **12 Bn**
(As on Mar 31, 2025)



Fund Management

No of Fund
Management Entities

162
(As on Mar 31, 2025)

No. of Funds/Schemes
Registered

229
(As on Mar 31, 2025)

Total Commitments
Raised

USD (\$) **15.74 Bn**
(As on Mar 31, 2025)



Sustainable Finance

Total Sustainable
Credit by Banks

USD (\$) **3.39 Bn**
(During FY 2024-25)

Cumulative ESG
labelled Debt Listing on
IFSC Exchanges

USD (\$) **15.43 Bn**
(as on Mar 31, 2025)

No. of Debt Listings on
IFSC Exchanges

64
(During FY 2024-25)



Bullion

No. of Qualified
Suppliers | Jewelers |
TRQ Holders

37 | 167 | 441
(as on Mar 31, 2025)

GOLD Traded on
IIBX

Volume **93.07 t**
Value **7.93 Bn**
USD (\$) (During FY 2024-25)

SILVER Traded on
IIBX

Volume **239.18 t**
Value **228.31 Mn**
USD (\$) (During FY 2024-25)



Insurance Sector

No. of Insurance
Firms | Intermediaries

18 | 27
(as on Mar 31, 2025)

Premium written by
IFSC Insurance
Office

USD (\$) **207.70 Mn[#]**
(During FY 2024-25)

Premium transacted
by IFSC Insurance
Intermediary Office

USD (\$) **302.60 Mn**
(During FY 2024-25)



Aircraft/Ship Leasing

No. of Registered
Aircraft | Ship Lessors

32 | 24
(as on Mar 31, 2025)

No. of Aviation Assets
Leased

242
(as on Mar 31, 2025)

No. of Ships Leased

18
(as on Mar 31, 2025)



Finance Companies

No of Finance
Companies

74
(as on Mar 31, 2025)

Transactions Financed
by ITFS Platforms

USD (\$) **44.36 Mn**
(as on Mar 31, 2025)

Business of GRCTC
Loans & Advances

USD (\$) **2332 Mn**
Total Investments
USD (\$) **141.38 Mn**
(as on Mar 31, 2025)



FinTech/ TechFin

No of Direct
Authorisation

18
(upto Mar 2025)

No of Sandbox Entities

27
(upto Mar 2025)

No of Entities exited
from Sandbox

23
(upto Mar 2025)



Other Sectors

No of Foreign
Universities

4
(as on Mar 31, 2025)

No of Global In-house
Centres

3
(as on Mar 31, 2025)

No Ancillary Services
Entities

88

No BATF Services
Entities

3
(as on Mar 31, 2025)

[#]Reinsurance data of one IIO is under examination and hence not included

*Including In-Principle/ provisional registrations

SECTION-C

**REVIEW OF POLICIES, PROGRAMMES
AND ACTIVITIES OF THE AUTHORITY**

Banking and Payment Services

Banks play a crucial role both as a financial intermediary and as a provider of key services to other financial institutions in IFSC. The vibrant banking ecosystem in GIFT IFSC today comprises 13 foreign and 16 domestic banks set up as branches of the parent bank called IFSC Banking Units (IBUs). One multilateral bank viz. New Development Bank has set up its Regional Office of India in GIFT IFSC. Further, one foreign bank and one domestic bank have set up their Global Administrative Offices (GAOs) in GIFT IFSC.

The regulatory framework of banks in IFSC consists of IFSCA (Banking) Regulations, 2020 (as amended) and IFSCA Banking Handbooks. The framework is reviewed on a regular basis with the demand from market participants and based on emerging banking trends across the world.

Payment Service Provider (PSP) and Payment System Operator (PSO) also play an important role in providing non-banking financial intermediation services to various participants including banks. Since payment services are a natural extension of the banking services, the PSP and PSO complement the role of banks in furtherance of payment and settlement services to various stakeholders.

PSPs are the front-end service channel used to initiate payment that connects the payer and the payee. PSPs in IFSC are governed under the IFSCA (Payment Services) Regulations 2024, which provides a principle-based framework for such institutions, ensuring fairness, transparency and efficiency while being aligned to international standards. Currently, the activities which have been permitted as payment services activities include – account issuance service (including e-money account issuance service); e-money issuance service; escrow service; cross border money transfer service; merchant acquisition service. A single authorisation enables a PSP to provide any combination of the permitted payment services.

Payment Systems form the backbone for effecting large value transactions and/or settlement of funds underlying such payment transactions. Essentially, PSOs form the infrastructure for payments and/or settlement. PSOs in IFSC are governed under the IFSCA (Payment and Settlement System) Regulations, 2024, which have been framed using the powers under the Payment and Settlement System Act (“PSS Act”), 2007. The regulations specify the procedure and factors for consideration for grant of authorisation by the Authority and include best practices like Principles for Financial Market Infrastructure (PFMI) and Core principles for systemically important payment systems (CP-SIPS), that may be complied with by the PSO.

Policy/ Regulatory Developments

IFSCA (Banking) (Amendment) Regulations 2024

The IFSCA (Banking) (Amendment) Regulations 2024 amended the existing IFSCA (Banking) Regulations, 2020, and inserted the following mentioned currencies under the First Schedule:

- i. Swedish Krone (SEK)
- ii. Norwegian Krone (NOK)
- iii. New Zealand Dollar (NZD)
- iv. Danish Krone (DKK)

With the addition of these four currencies, now IBUs are permitted to conduct business in total of 15 specified foreign currencies.

IFSCA Banking Handbook

IFSCA Banking Handbook: General Directions – Version 5.0

One of the provisions in the undertaking submitted by a banking company for setting up an IBU, required notifying the Authority in case of any 'anticipated or actual' breach of prudential requirements set by the home regulator. This has been revised to remove the phrase 'anticipated and actual'. Further, prudential requirements viz. LCR, CRAR, and NSFR have been specified, in the said provision, to enhance clarity and facilitate ease of compliance and doing business.

IFSCA Banking Handbook: Conduct of Business Directions – Version 6.0

- A Circular enabling IBUs to undertake OTC Derivatives (OTDE) on Gold and Silver and offer such derivatives to their clients, including Persons Residents in India to hedge the price risk was issued.
- A para has been included in OTDE module classifying Offshore Derivative Instruments (ODIs) as 'Qualified Financial Contracts' under Bilateral Netting of Qualified Financial Contracts Act, 2020.

IFSCA (Payment Services) (Amendment) Regulations, 2024

The definition of the term “escrow service” which is one of the payment services that may be provided by PSPs authorised by the Authority under the IFSCA (Payment Services) Regulations, 2024, has been modified to cover situations in which more than two parties may be involved in a transaction.

IFSCA (Board for Regulation and Supervision of Payment and Settlement Systems) Regulations, 2024

As per sub-section (1) of Section 3 read with Section 34B of the Payment and Settlement Systems Act, 2007 (PSS Act), the IFSCA shall be the designated authority for regulation and supervision of Payment Systems in IFSC.

As per sub-section (2) of Section 3 of the PSS Act, IFSCA, for the purposes of exercising the powers and performing the functions and discharging the duties conferred on it under the PSS Act, has notified the IFSCA (Board for Regulation and Supervision of Payment and Settlement Systems) Regulations, 2024, which *inter-alia* provides –

- The composition of the Board for Regulation and Supervision of Payment and Settlement Systems (BPSS)
- The duties, powers and functions of the BPSS
- The procedure to be followed at the meetings of the BPSS
- The powers of the BPSS to be exercised under specific circumstances
- The power of the BPSS to set up sub-committees and advisory committees

IFSCA (Payment and Settlement Systems) Regulations, 2024

Using the powers, conferred upon it under the sub-section (1) of Section 38 of the PSS Act, the Authority has notified the IFSCA (Payment and Settlement Systems) Regulations, 2024.

The regulations lay down the process of authorisation and operations of Payment Systems in IFSC and inter alia specifies the authorisation requirements that must be fulfilled by the system provider for the grant of authorisation by the Authority for commencing or carrying on a Payment System in an IFSC. Additionally, the regulations mandate the system provider to comply with the Principles for Financial Market Infrastructures (PFMI) issued by Committee on Payments and Market Infrastructures (CPMI) and International Organization of Securities Commissions (IOSCO).

Transaction/Processes/Operations/Trends

Growth in number of IBUs

As on March 31, 2025, the Banking ecosystem at IFSC has 28 IBUs and 2 GAOs operating. One more IBU has been given license and is commencing operations in April 2025.

Table 1: No. of IBUs & GAOs at IFSC

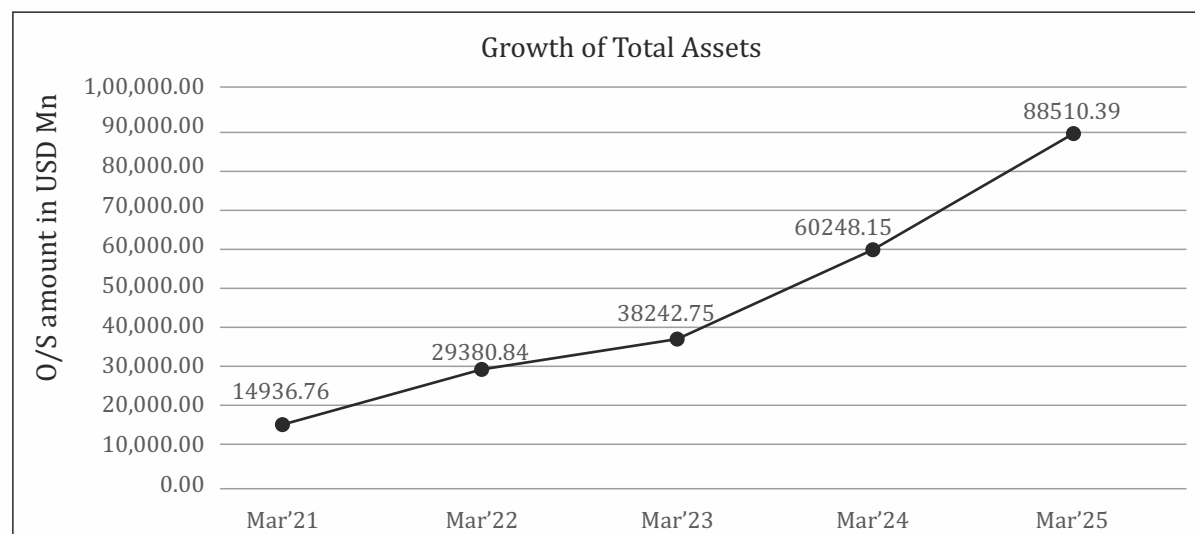
Particulars	FY 2023-24	FY 2024-25
No. of operational IBUs	23	28
No. of operational GAOs	1	2

Expansion of Asset Base

Table 2: Total Assets (Outstanding) in IBUs

Particulars	As on Mar 31, 2024	As on Mar 31, 2025
Total Assets at IFSC (in USD Mn)	60,248.15	88,510.39

Figure 1: Growth of total assets (USD Mn) of IBUs



Contribution to Employment Generation

Table 3: No. of employees in all IBUs

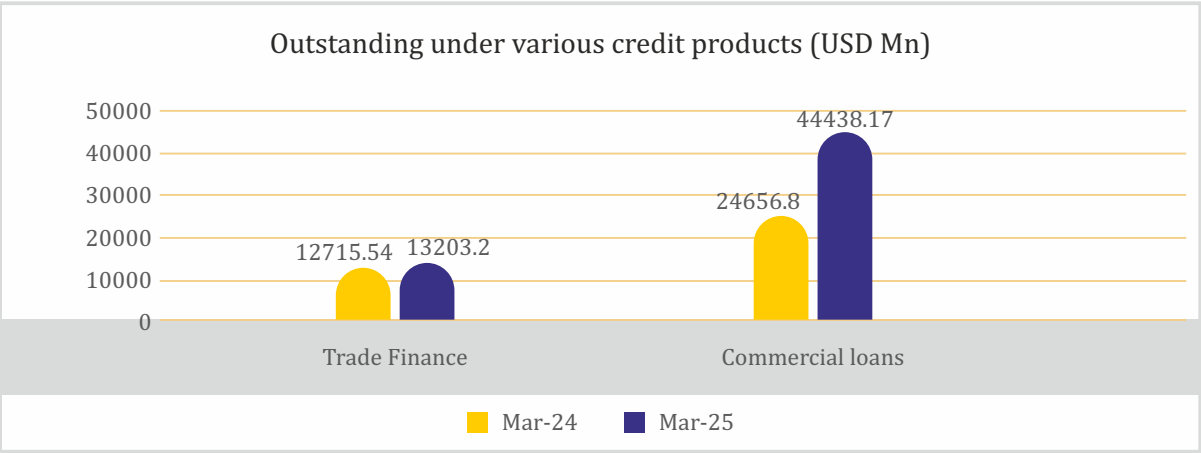
Particulars	FY 2023-24	FY 2024-25
No. of employees at all IBUs located in IFSC	343	447

Sources and Deployment of Funds

IBUs raise funds through interbank and interbranch borrowings, bilateral borrowing, medium term notes, borrowings from multilateral institutions, customer deposits, etc. Activities on asset deployment have been largely concentrated towards trade finance and commercial loans.

Customer Credit (Net) of the IFSC Banking ecosystem as on March 31, 2025, stands at USD 59.46 Bn and total asset size of IFSC banking units is USD 88.51 Bn.

Figure 2: Outstanding of Major Credit Products (USD Mn) of IBUs

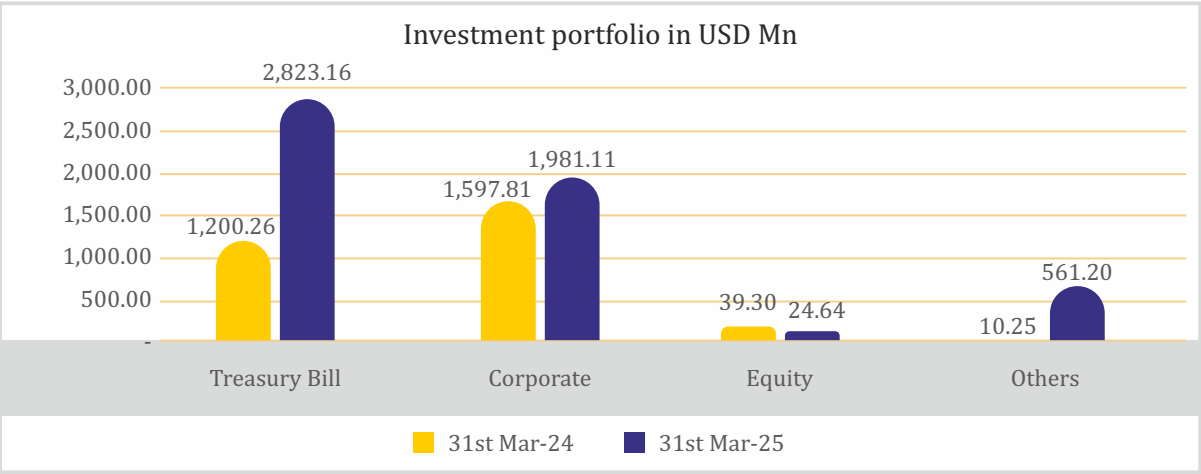


Customer Credit Trends

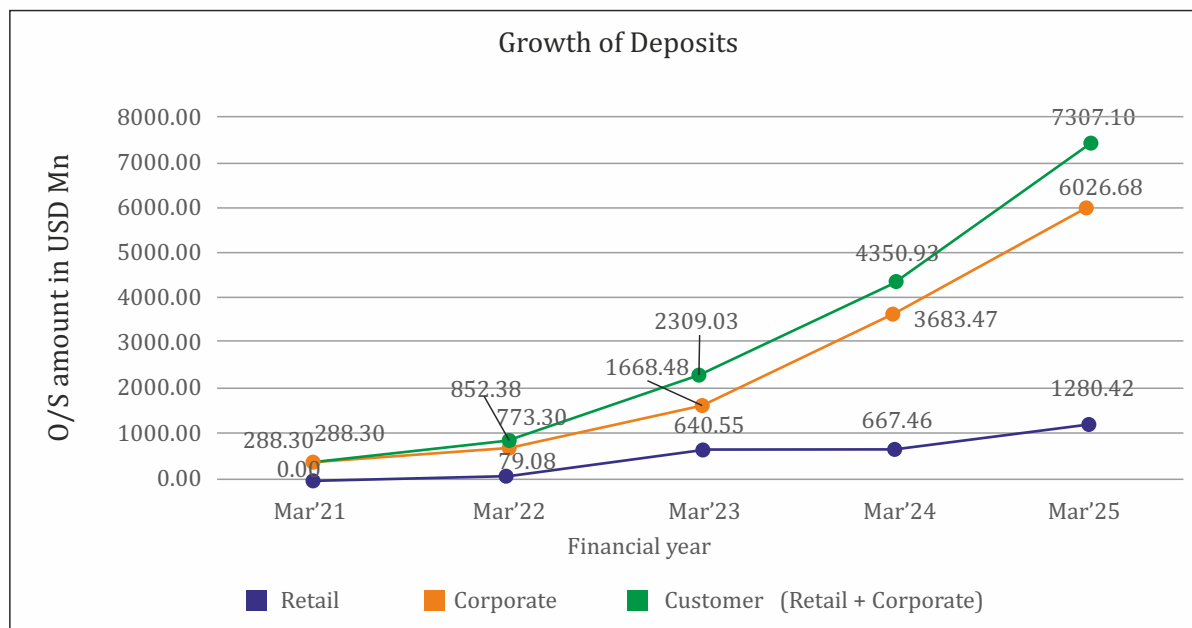
Total customer credit outstanding has increased by 52.03% from USD 39.11 Bn (as on March 31, 2024) to USD 59.46 Bn (as on March 31, 2025). Growth in Commercial loans which includes External Commercial Borrowings and trade finance has been the biggest contributor for this increase in the customer credit outstanding for the IFSC.

Investment Profile

Figure 3: Investment profile in USD Mn



IBUs are maintaining investment in Treasury bills for compliance with the prudential requirement of LCR maintenance. Overall, there is a notable shift in investment preferences from Corporate Bonds to Treasury Bills by the IBUs over the one-year period as more IBUs have received FPI license.

Figure 4: Growth of deposits (In USD Mn)

IBUs are offering savings, current and time deposits for retail and corporate customers. The retail deposits show a modest growth whereas the corporate deposits exhibit significant growth resulting in strong upward trend in deposit mobilization.

Derivative Market Activity

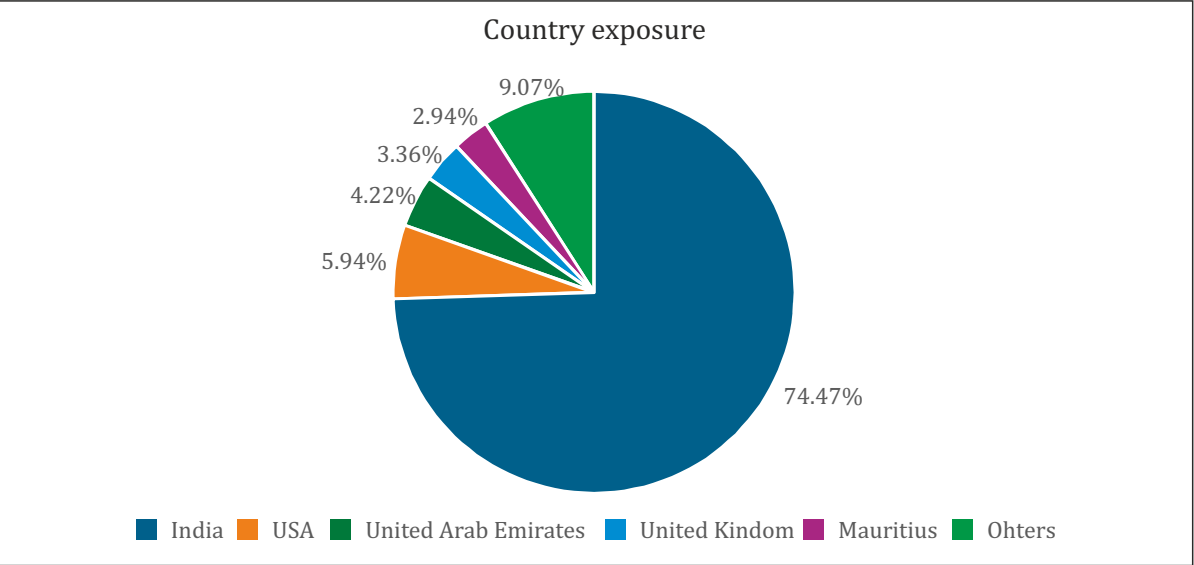
Table 4: Outstanding Over the Counter (OTC) Derivative Contracts

Derivative Outstanding (in USD Mn)	As on Mar 31, 2024	As on Mar 31, 2025
Non-Deliverable Derivative Contracts (FCY-INR) (including NDF, Fx-Swaps and options)	26159.99	35919.50
FCY-FCY forwards	4145.16	7238.24
FCY-FCY currency swap	966.35	2639.61
FCY-FCY currency option	2515.61	12187.70
INR Interest rate swap (IRS) (including overnight indexed swaps (OIS))	28045.45	74227.39
FCY Interest rate swap (IRS) (including overnight indexed swaps (OIS))	101681.32	102692.86
Others	663.34	1354.74
Total	164177.22	236260.04

The outstanding derivative contracts have increased by 43.90%. A few IBUs have commenced their market operations during the financial year whereas a few have increased their derivative trading portfolio based on their business strategies and new products like Total returns swaps, Swaptions resulting in the overall increase in the derivative contracts outstanding at IBUs.

Country-wise Exposure

Figure 5: Major Country exposure of IBUs



IBUs have highest exposure to entities from India (74.47%) followed by USA (5.94%) and UAE (4.22%). Top five countries constitute 90.93% of the exposure of the IBUs as on March 31, 2025.

Payment Services and Payment Systems

Table 5: Number of PSP and PSO as on March 31, 2025

Particulars	No. of Entities
Payment Service Provider (In-principle approval)	5
Payment Service Provider (Authorisation)	2
Payment System Operator (In-principle approval)	1

Supervision

The Department of Banking Supervision (DoBS) is responsible for supervising the IBUs, PSPs, GAOs and Finance Companies (FCs/ FUs) in IFSC. The department adopts a risk-based supervisory approach to achieve its objective with offsite and onsite monitoring of regulated entities.

Key Supervision Activities

Off-site Monitoring

DoBS conducts off-site assessments on an ongoing basis by analyzing regulatory returns submitted by IBUs and regular interactions with Key managerial personnels of IBUs and the controlling offices.

On-site Assessment

Onsite assessments are carried out at periodic intervals based on risk scoring of supervised entities. The primary objective of this exercise is to assess internal controls, compliance with regulations, review of products being offered by the IBUs, processes involved, AML procedures, and assessment of risk profile of the IBU.

Thematic Study and Targeted Assessments

In addition to regular onsite assessments, the DoBS undertakes thematic studies on specific areas of concern such as derivatives exposures, Operating model, Deposits, internet banking etc.

Compliance Monitoring and Enforcement

The DoBS monitors compliance with prudential norms, licensing terms & conditions, and regulatory guidelines which also include Handbooks issued by IFSCA.

Interaction with Stakeholders

Regular engagement is maintained with the management of IBUs and their Controlling offices. These interactions help in conveying supervisory concerns, expectations, discussing risk trends, and ensuring alignment with regulatory objectives.

Capacity Building and Regulatory Development

The department contributes to the implementation of regulatory frameworks and guidelines based on supervisory insights and market developments. It also emphasizes capacity building within the supervision team through training and workshops.

During FY 2024-25

- i. Department conducted onsite assessments of the IBUs along with thematic assessments.
- ii. Discussions and meetings with other supervisors to have an overall view over the IBU.

Advocacy and Outreach

IFSCA Delegation visit to Hong Kong and Seoul, South Korea

In April 2024, a delegation from IFSCA, led by Chairperson, IFSCA visited Hong Kong and Seoul, South Korea. During the visit, the delegation participated in the '*HSBC Global Investment Summit 2024*' held in Hong Kong where Chairperson, IFSCA featured as a panelist.



Image 1: Shri K. Rajaraman, Chairperson, IFSCA at HSBC Global Investment Summit, Hong Kong, 2024

Engagement with HKMA

The Chairperson of IFSCA met Mr. Darryl Chan, Deputy Chief Executive, HKMA. The discussion focused on the developments in the banking and financial services sector as well as potential collaboration opportunities.

Engagement with Financial Services Commission (FSC), Korea

The Chairperson of IFSCA met Mr. Soyoung Kim, Vice Chairman of FSC. The discussion focused on the developments in the banking and financial services sector as well as potential collaboration opportunities.



Image 2: Chairperson, IFSCA with Vice Chairman, FSC Korea

Policies and Programmes for the Following Year

Enablement of Deposit insurance for IBUs in IFSC

IFSCA has been coordinating with Deposit Insurance and Credit Guarantee Corporation (DICGC) to enable the provision of deposit insurance to the depositors of IBUs. It is expected that availability of deposit insurance for IBU depositors will be operationalised in upcoming financial year.

Enablement of registration of assignment of receivables

IFSCA has been coordinating with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) for enabling registration of assignment of receivables of factoring transactions in IFSC with Security Interest registry of CERSAI. This process is expected to be operationalised in upcoming financial year.

Framework under the Payment and Settlement Regulations

Pursuant to the notification of IFSCA (Payment and Settlement Systems) Regulations, 2024 on October 14, 2024, in the Official Gazette, the Authority shall create the necessary framework thereunder for authorisation of various types of payment and settlement systems in IFSC.

Foreign Currency Settlement System

A Foreign Currency Settlement System (FCSS) is being setup in GIFT IFSC which would settle foreign currency transactions (starting with USD) undertaken among IBUs located in GIFT IFSC.

Finance Companies

Finance Companies/ Units (FCs/ FUs) play a vital role in facilitating non-banking financial intermediation within the IFSC. They complement the functions of IBUs by providing a wide variety of financial services, although they do not accept public deposits.

Regulated by the IFSCA (Finance Company) Regulations, 2021, FCs/ FUs operate in a competitive, risk-focused, and transparent environment that aligns with global standards. The activities undertaken by FC/ FUs include core activities such as lending, investing, factoring, forfaiting, and activities as Global/Regional Corporate Treasury Centre (GRCTC). The regulatory framework also enables FC/ FUs to undertake non-core activities such as International Trade Finance Services (ITFS) platforms and operating lease of any products, including aircraft lease, ship lease, or any other equipment specified by the Authority.

As of March 31, 2025, the IFSCA has granted registration to 73⁶⁰ entities to set up as Finance Companies under the FC Regulations. Among these 12 entities have been registered to engage in core activities like lending and factoring and 3 have been registered for undertaking activities as GRCTC. With regards to FC undertaking non-core activities, 32 Aircraft Lessors have leased out a total of 242 aircraft assets from GIFT IFSC, 24 ship lessors and 4 ITFS entities have started commercial operations.

Policy/ Regulatory developments

Finance Company (Core Activities) - Global/ Regional Corporate Treasury Centres (GRCTCs)

GRCTC functions as in-house bank for multinational corporations, facilitating the management of global treasury operations such as foreign exchange and risk management, asset and liability management, and advisory services. The IFSC offers a globally competitive ecosystem for such activities, combining robust infrastructure with cost efficiency, favorable tax regimes, and a streamlined regulatory environment.

To support the growth of this segment, IFSCA issued the GRCTC Framework in June 2021. Later, as part of its mandate to periodically review and update its regulatory architecture, IFSCA issued a public consultation paper proposing a revised framework for GRCTC. The objective is to align the GRCTC structure with international standards followed in jurisdictions like Singapore and Hong Kong among others, thereby increasing the IFSC's appeal as a preferred location for global treasury centres while maintaining robust regulatory oversight.

⁶⁰ Including provisional registrations

Aircraft Leasing

Aircraft leasing continues to be a focus area in the efforts to establish IFSC as a global hub for aircraft financing and leasing. To support this vertical, certain modifications were made to the erstwhile Aircraft Leasing framework, including introduction of certain restrictions on transfer of aircraft assets from person resident in India to IFSC based lessors - solely for purpose of leasing within the country. However, IFSC lessors have been permitted to acquire aircraft assets from Indian manufacturers.

Additionally, to provide clarity and ease of reference for stakeholders, a consolidated circular was issued, titled '*Framework for Aircraft Lease*', which compiles all relevant guidelines and amendments into a single, comprehensive document.

Ship Leasing

Ship Leasing also remains a key focus area for IFSCA. The regulatory framework for ship lease was issued in 2021 and during the extant period, the framework was modified by mandating that only lessors holding ownership or leasehold rights over a ship or ocean vessel may engage in activities such as voyage charters and contracts of affreightment. Further, restrictions were also introduced on the transfer of vessels from person resident in India to IFSC entities solely for servicing Indian clients. However, lessors were permitted to acquire new ships or vessels from Indian shipyards.

Additionally, following an amendment to Rule 21B of the SEZ Rules, 2006 by the Ministry of Commerce and Industry (notified on March 14, 2024), IFSC-based ship lessors are now permitted to share office space and personnel with other ship lessors operating within the IFSC.

Leasing of Oilfield Equipment

The FC Regulations permit activity of 'operating lease' of any products or equipment as may be specified by the Authority from time to time as a permissible non-core activity. In furtherance to this enablement, stakeholder enquiries were received on whether lease of oilfield equipment may be considered within the purview of the FC Regulations.

Based on internal studies it was identified that leasing of oilfield equipment is a well-established practice in jurisdictions such as the USA, China, Malaysia, Singapore, and Dubai. Recognising this international trend and following stakeholder consultations, IFSCA observed that leasing such equipment could offer Indian companies a more capital-efficient alternative to outright purchase, especially considering India's significant reliance on imported oilfield equipment for domestic oil and gas production.

In view of the above, IFSCA issued a public consultation paper proposing "operating lease, including any hybrid of operating and financial lease of oilfield equipment" as a financial product under the IFSCA Act, 2019. The consultation paper defines 'oilfield equipment' as set of goods mentioned in GST notification no. 3/2017-Central Tax (Rate) dt. June 28, 2017 [*Concessional CGST rate for supplies to Exploration and Production*], that will be used in oilfield wherein the expression 'Oilfield' shall be as defined in the Oilfields (Regulation and Development) Act, 1948.

This proposal is aimed at exploring the feasibility of enabling lessors to set-up in IFSC undertake operating lease of oilfield equipment, thereby broadening the scope of permissible equipment leasing activities and further strengthening IFSC's position as a centre for innovative financial products.

International Trade Financing Services Platform (ITFS)

IFSCA issued revised guidelines for the operations of ITFS platforms, ushering in a more flexible and inclusive regulatory environment for trade finance in IFSCs. These guidelines replace the earlier ITFS framework and incorporate several key enhancements aimed at broadening participation and improving operational efficiency.

Key highlights of the revised ITFS guidelines include:

- i. **Simplified Eligibility and On-Tap Registration:** The eligibility criteria for setting up ITFS platforms have been streamlined. In place of the earlier fixed application windows, IFSCA has adopted an on-tap registration mechanism, allowing applicants to apply at any time during the year.
- ii. **Expansion of Permissible Activities:** The scope of ITFS operations has been expanded to include:
 - a. Secondary market transactions in Trade Financing Units (TFUs), and
 - b. Facilitation of clearing and settlement of funds
- iii. **Wider Participant Base:** The list of eligible participants has been broadened to include payment service providers, enabling greater integration and access within the trade financing ecosystem.

Further, based on industry representations and considering that ITFS platforms operate as marketplaces, the fee structure applicable to ITFS operators was revised. Under the new guidelines, the annual fee has been linked to the total value of transactions handled by the platform, promoting a more proportionate and usage-based approach to regulatory charges.

Transaction/Processes/Operations/Trends

The IFSC continues to gain substantial traction as a preferred destination for establishing FCs/FUs, with a diverse set of entities, from domestic institutions to global players and public sector undertakings, expressing keen interest. These FCs are being set up to undertake a wide spectrum of permitted activities, including lending, factoring and forfaiting, treasury operations, and leasing aircraft and ships. This growing momentum underscores the IFSC's evolving stature as a dynamic and globally competitive financial hub.

A diverse set of prominent entities registered as Finance Companies in the IFSC during the financial year, reflecting the Centre's growing appeal across sectors such as aircraft and ship leasing, lending, and treasury operations.

Table 6: Registered Finance Companies during FY 2024-25

Type of activity undertaken by the Finance Company	FC (Core)	Aircraft Leasing	Ship Leasing	FC (non-core) – holding cos and ITFS entities ⁶²	Total
Provisional Registration Granted	2	2	7	0	11
CoR Granted	6	12	9	0	27
Total Registrations till March' 25 ⁶¹	12	32	24	5	73

Table 7: Assets leased by Aircraft Leasing Entities as on March 31, 2025

	Type of Aviation Assets	No. of assets leased
1	Aircrafts	90
2	Engines	67
3	Ground Support Equipment	85
	Total	242

Table 8: Assets leased by Ship Leasing Entities as on March 31, 2025

	Type of Assets	No. of assets leased
1	Ships	18

Table 9: Business details of Global/Regional Corporate Treasury Centres (GRCTC) as on March 31, 2025

Particulars	As on March 31, 2025
Loans & Advances (USD Mn)	2332.05
Total Investments (USD Mn)	141.38

Table 10: Business details of Core Finance Companies (e.g. Lending, Export financing)

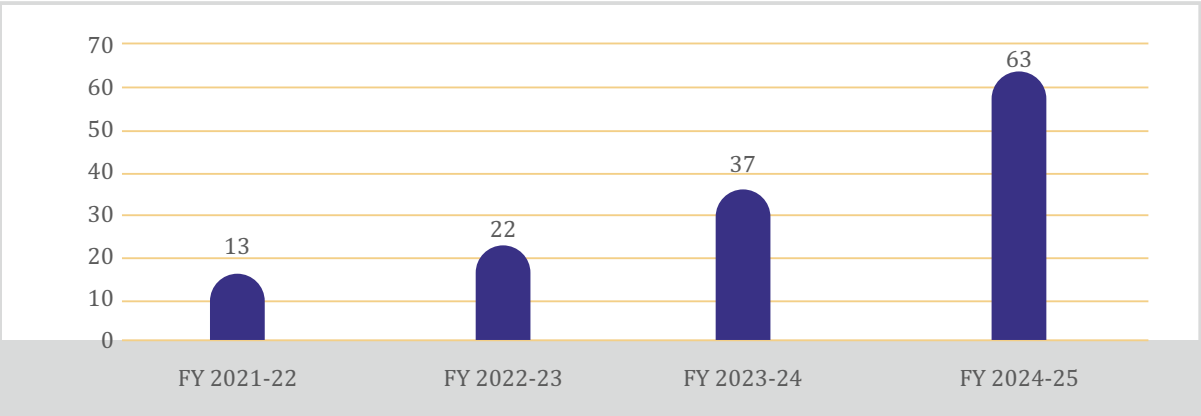
Particulars	As on March 31, 2025
Loans & Advances (USD Mn)	7.73
Total Investments (USD Mn)	6.65

⁶¹ Including provisional registrations⁶² Other than Aircraft and Ship Operating lease

Table 11: Transactions facilitated by ITFS Platforms

Particulars	As on March 31, 2025
Number of Transactions Financed	779
Value of Transactions Financed (USD Mn)	44.358

Figure 6: Growth in Finance Companies in IFSC ⁶³



Advocacy and Outreach

Engagements during the IFSCA delegation visit to Hong Kong and Korea

During the Delegation visit, led by Chairperson, IFSCA, discussions were held with leading banking institutions in Hong Kong and Korea, stakeholder from the financial services sector, aircraft and ship lessors to discuss the evolving banking landscape within the IFSC.

IFSCA CPSE Summit – 2.0



Image 3: Ms. Riddhi Bhandari, General Manager, IFSCA, during IFSCA CPSE Summit 2.0

IFSCA held the second edition of the summit in New Delhi and discussions and roundtable were held on opportunities for PSE's in IFSC including debt listing, treasury centres, EXIM trade among others.

⁶³ Excluding entities granted provisional registrations

Policies and Programmes for the Following Year

Issuance of revised Framework on 'Global/ Regional Corporate Treasury Centres'

The Authority has issued a consultation paper to seek public feedback on this proposal. Based on the responses received and further engagement with industry stakeholders, IFSCA will evaluate and incorporate necessary changes before finalising and issuing the updated framework.

Explore the enablement operating lease of 'Oilfield equipment' as a financial product

The Authority has issued a consultation paper to seek public feedback on this proposal. Based on the responses received and further engagement with industry stakeholders, IFSCA will explore on aspect of enabling operating lease, including hybrid of operating and financial lease, of 'oilfield equipment' as a financial product in IFSC.

Issuance of revised Regulations and handbook for FC/FU

The Authority has issued a consultation paper to seek public feedback on this proposal in accordance with the IFSCA (Procedure for Making Regulations) Regulation. Based on the responses received and further engagement with industry stakeholders, IFSCA will explore necessary modifications/ amendments to the existing FC Regulations, with a focus on ease of doing business and alignment with international best practices. Additionally, the Authority is also considering the development of a handbook for FC/ FU. This would serve as a user-friendly reference, consolidating relevant circulars and guidelines issued for FCs/ Fus.

Exploring necessary enablement for FC/ FU to become member of Credit Information Companies in India

IFSCA had earlier issued a circular bringing FC/ FUs engaged in lending activities within the scope of "credit institution" as defined under the Credit Information Companies (Regulation) Act, 2005. Building on this, IFSCA is currently examining the necessary enablement to facilitate the onboarding of such entities onto Credit Information Companies (CICs) in India. This will enable such entities to access, report, and share credit data with CICs, thereby enhancing credit transparency and risk management.

Review of the Aircraft and Ship Leasing Framework

According to the IFSCA (Procedure for Making Regulations) Regulations, all regulations/ frameworks/ circulars issued by the Authority must undergo a review every three years. Consequently, the aircraft and ship leasing circulars will be evaluated and appropriately modified/ amended to facilitate the ease of doing business for entities. This review process will also entail making necessary amendments to circulars and frameworks in consultation with the industry.

Policy and Regulatory Developments

IFSCA (Listing) Regulations, 2024

The Government of India notified the Direct Listing Scheme on January 24, 2024, by notifying the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2024 and the Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024 ("LEAP Rules"). These rules provide the legal framework for direct listing of equity shares of public Indian companies on the international exchanges in the IFSC.

IFSCA constituted a Standing Committee on Primary Markets ("SCOP") for advising IFSCA on the various policy and regulatory matters to facilitate the development of a vibrant and robust ecosystem for primary markets in the IFSC.

Pursuant to recommendations of the SCOP and public consultation, IFSCA decided to replace the IFSCA (Issuance and Listing of Securities) Regulations, 2021 with new regulations for listing of securities and other permitted financial products on the stock exchanges in the IFSC. The Authority in its meeting held on June 27, 2024, approved the IFSCA (Listing) Regulations, 2024 ("New Listing Regulations").

The New Listing Regulations have been prepared considering the regulatory framework for listing in various international financial centres. For instance, the eligibility criteria for IPOs have been broadened. The issuers who may not be able to fulfil the criteria of pre-tax profit or revenue are eligible for IPO based on post issue market capitalization of USD 25 million.

Similarly, several other requirements relating to listing such as filing of offer documents, disclosures, timing of offer, pricing, minimum public offer requirements, underwriting, anchor investors, and lockup periods have also been benchmarked with international best practices.

With respect to debt securities, issuers are required to file a listing application along with the offer document or information memorandum with a recognized stock exchange. Credit rating has been made mandatory, and from April 1, 2025, issuers have been mandated to obtain a credit rating from at least one CRA registered with IFSCA. ESG-labelled debt securities, such as "Green," "Social," "Sustainability," and "Sustainability-Linked" debt securities are required to adhere to additional requirements based on global best practices, including ICMA and Climate Bonds Standards.

The New Listing Regulations facilitate Indian issuers (start-ups, in particular) and foreign issuers to access capital through issue and listing of securities on the stock exchanges in the IFSC. The regulations are expected to promote ease of doing business for the issuers to access capital market through listing of securities on the stock exchanges in the IFSC with greater flexibility and efficiency.

Listing of Commercial Paper and Certificates of Deposit

The New Listing Regulations enable listing of Commercial Paper (CPs) and Certificates of Deposit (CDs) on the recognised stock exchanges in the IFSC. IFSCA issued a consultation paper on September 02, 2024, seeking suggestions on the proposed detailed regulatory framework for listing of CPs and CDs on the Stock Exchanges in IFSC.

Based on comments received from the stakeholders and after the approval of the Authority, IFSCA issued the circular on *"Listing of Commercial Paper and Certificates of Deposit on the recognised stock exchanges in the IFSC"* on October 17, 2024. The framework will enable raising of short-term finance by issuers out of the IFSC.

One of the objectives of the said circular on CPs and CDs is to enable listing of new products on the stock exchanges in the IFSC for providing an opportunity to the investors to invest in short term instruments in the IFSC. This will contribute towards development of the capital market ecosystem in the IFSC.

The said circular provides the regulatory requirements for facilitating issuers to list CPs and CDs in an efficient and transparent manner ensuring that adequate material information is made available to the investors for making informed decision. The circular, *inter-alia*, specifies the conditions for issuance of CPs and CDs, eligible issuers, eligible investors, disclosures in the offer document, continuous disclosures etc.

IFSCA (Capital Market Intermediaries) Regulations, 2025

The IFSCA (Capital Market Intermediaries) Regulations, 2021 were notified and published in the Official Gazette of India on October 20, 2021, providing the framework for regulating the capital market intermediaries in the IFSC.

In terms of regulation 7 of the IFSCA (Procedure for making Regulations) Regulations, 2021, the Authority is required to review each regulation every three years unless a review is warranted earlier.

Accordingly, IFSCA issued a Press Release on July 18, 2024, inviting suggestions from public and regulated entities for review of IFSCA (Capital Market Intermediaries) Regulations, 2021. Over the past four years, the capital markets ecosystem in IFSC has witnessed significant growth, leading to a notable increase in the number of registered capital market intermediaries in the IFSC. One of the main objectives of the review process was to update the regulations for meeting the evolving needs of the market participants and other stakeholders.

Based on the comments received from stakeholders, IFSCA issued a consultation paper on November 21, 2024, on the draft new regulations for capital market intermediaries, in accordance with the process laid down in regulation 4 of the IFSCA (Procedure for making Regulations) Regulations, 2021.

The Authority in its meeting held on March 26, 2025, approved the IFSCA (Capital Market Intermediaries) Regulations, 2025 ("New CMI Regulations").

The salient features of the New CMI Regulations approved by the Authority are as follows:

1. Category of intermediaries

The New CMI Regulations provide the regulatory framework for 'Research Entity' as a new category of intermediary, while the 'Account Aggregator' category has been removed. The regulatory frameworks for 'Distributors' and 'ESG Ratings and Data Products Providers' (ERDPP) have been incorporated in the New CMI Regulations.

2. Principal Officer and Compliance Officer

The New CMI Regulations specify the minimum qualification and experience requirements for Principal Officer and Compliance Officer applicable for all categories of capital market intermediaries.

3. Net Worth

The net worth requirements have been revised in the New CMI Regulations, including the following:

- i. In case of entities operating in branch, the minimum net worth requirements maintained at the parent level in the home jurisdiction shall be earmarked for its branch in IFSC.
- ii. In respect of broker dealers, clearing members and investment bankers, net worth maintained in the form of "liquid assets" shall only be considered.
- iii. The minimum net worth requirements have been rationalized for the following categories:
 - a. Credit Rating Agency - USD 200,000/-
 - b. Investment Adviser - USD 25,000/-
 - c. Investment Banker - USD 100,000/-
- iv. The minimum net worth requirements under these regulations shall be separate and in addition to the minimum net worth requirements applicable for other activities outside IFSC or within IFSC under any other regulations or framework.

4. Submission of Annual Compliance Audit

The New CMI regulations specify that all the intermediaries shall file a copy of their annual compliance audit with IFSCA by the 30th of September every year.

The new CMI Regulations are expected to further increase the vibrance in the capital market.

Remote Trading Participants on Stock Exchanges

A significant policy decision has been taken by permitting members of stock exchanges based in 28 permitted foreign jurisdictions to trade directly on IFSC stock exchanges without the need for physical presence in IFSC. Such members of foreign stock exchanges are on-boarded by stock exchanges in IFSC as Remote Trading Participants (RTPs). The RTPs can trade only on a proprietary basis in cash settled derivatives on IFSC stock exchanges. This initiative is expected to

facilitate the onboarding of top High Frequency Trading (HFT)/ Algorithmic trading firms on the stock exchanges leading to enhanced liquidity across exchange-traded derivatives products.

The stock exchanges have been provided the operational flexibility to specify the eligibility criteria for onboarding RTPs while ensuring compliance with IFSCA (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022.

IFSCA (Market Infrastructure Institutions) (Amendment) Regulations, 2024

IFSCA has notified the IFSCA (Market Infrastructure Institutions) Regulations, 2021 (MII Regulations) providing a unified regulatory framework for stock exchanges, clearing corporations and depositories. IFSCA had made the amendments in MII Regulations in November 2024, primarily to strengthen governance norms of the MIIs.

MIIs are vested with regulatory responsibilities, while pursuing commercial interests like other profit-oriented entities. It is important that the MIIs, in pursuance of their business objectives, should not lose sight of their regulatory roles. The MIIs are also the first line regulators for the CMIs such as Broker-Dealers, Clearing Members and Depository Participants. Because of the conflicting nature of the MII's role, it is very pertinent that governance standards of MIIs need to be robust to enhance and maintain market confidence and deter malpractices. Corporate Governance becomes even more significant in an IFSC context, where MIIs engage in global connect arrangement. Therefore, to ensure accountability and mitigate potential conflict between regulatory and business-development roles of employees of the MIIs, the amended regulations have incorporated provisions for MIIs to ring-fence the functions and personnel pertaining to regulatory, compliance, risk management, and investor grievances from the rest of the functions.

Also, a more comprehensive code of conduct for the MIIs and their governing board, directors, committee members, and key management personnel has been specified. Other key amendments include the provisions for the appointment of a Chief Risk Officer, Chief Legal Officer, and Chief Information Security Officer, and a requirement for a recognised clearing corporation to develop a framework for the orderly winding down of its operations.

IFSCA (KYC Registration Agencies) Regulations, 2024

Public consultation was conducted for the proposed IFSCA (KYC Registration Agency) Regulations, 2024 ("KRA Regulations") to provide the regulatory framework for the registration, regulation, and supervision of KRAs set up in the IFSC. The objective is to enable the KRAs to set up in the IFSC and to have a centralized repository for KYC records of the clients/ customers onboarded by various types of regulated entities. This shall facilitate smooth onboarding of the clients/ customers by Regulated Entities and enhance their efficiency with respect to Customer Due-Diligence (CDD).

Regulatory Approach Towards Tokenization of Real-World Assets

Acknowledging the potential of tokenization of real-world assets to transform international financial systems, a consultation paper was issued to invite public comments on regulatory approach towards tokenization of real-world assets in GIFT IFSC. IFSCA wishes to leverage the unique position of GIFT IFSC and its accompanying advantages for the creation of a thriving digital token ecosystem for real-world assets in GIFT IFSC.

The objective of this consultation paper is to elucidate the viewpoint of IFSCA on the need, approach and suitable measures to be adopted for the regulation of tokenization of certain real-world assets, including financial securities such as funds, bonds, stocks, etc. and other financial products such as payments, deposits, bills receivables, precious metal bullion, commodities, intellectual property, and commercial real estate.

Simultaneously, IFSCA has put forth the regulatory hurdles and challenges identified by it and by the Expert Committee on Asset Tokenization, to the wider audience of relevant stakeholders and domain experts, in order to identify proportional, reasoned, and acceptable means of tackling these challenges.

Issuance of Derivative Instruments against Indian securities by non-bank entities in GIFT IFSC

Consequent to the amendment in Section 18A of the Securities Contracts (Regulation) Act, 1956, derivative instruments regulated by IFSCA and issued in IFSC by SEBI-registered Foreign Portfolio Investors (FPIs) are recognised as legal and valid. IFSCA had initially permitted IBUs, registered with SEBI as FPIs, to issue Offshore Derivative Instruments (ODIs, also known as Participatory Notes or P-Notes) with Indian equity/ bonds as underlying.

Subsequently, non-bank entities registered with IFSCA and having FPI license from SEBI, have also been permitted to issue such derivative instruments. These non-bank entities are required to furnish information to the clearing corporations in GIFT IFSC on monthly basis.

Contribution to Settlement Guarantee Fund (SGF)

The IFSCA (Market Infrastructure Institutions) Regulations, 2021, requires a recognised clearing corporation to establish and maintain an SGF to guarantee the settlement of trades executed on a stock exchange. The SGF may comprise of contributions from clearing members, recognised clearing corporation and recognised stock exchange. A circular was issued to clarify that the contribution of clearing corporation to its SGF shall be considered as part of its net worth. Additionally, the interest on cash contribution to the SGF would also accrue to the SGF and pro-rata be attributed to the contributors in proportion to their contribution.

Market Infrastructure Institutions

The stock exchanges, clearing corporations and depositories are classified as Market Infrastructure Institutions (MIIs). These institutions provide the necessary infrastructure for facilitating trading, clearing and settlement of securities. As the nature of the functions performed by the MIIs forms the backbone of the capital market in GIFT-IFSC and hence are very critical, they are subject to greater degrees of regulatory oversight.

Stock Exchange

A stock exchange plays the central role in facilitating trading in securities in close coordination with clearing corporation and depository. It provides a trading platform for facilitating price discovery of the securities available for trading. Additionally, stock exchanges are also entrusted with various regulatory responsibilities for ensuring market integrity and for protecting investor interests.

IFSCA grants recognition to stock exchanges under Regulation 9 of the IFSCA (Market Infrastructure Institutions) Regulations, 2021 (hereinafter referred to as MII Regulations). Currently there are two stock exchanges operating in GIFT-IFSC, namely India International Exchange (IFSC) Limited (India INX) and NSE IFSC Limited (NSE IX). India INX is subsidiary of BSE Limited and NSE IX is wholly owned subsidiary of National Stock Exchange of India Limited. Both the stock exchanges are operational since 2017 and are being granted annual renewal of recognition under MII Regulations.

Clearing Corporation

A clearing corporation is an MII that handles the clearing and settlement of transactions that are executed on the stock exchange. The clearing corporations fulfil the main obligation of ensuring that transactions are settled between counterparties in a prompt and efficient manner.

There are two clearing corporations operational in GIFT IFSC namely, India International Clearing Corporation (IFSC) Limited (“India ICC”) and NSE IFSC Clearing Corporation Limited (“NICCL”). India ICC is subsidiary of BSE Limited, a SEBI registered stock exchange and NICCL is wholly owned subsidiary of NSE Clearing Limited, a SEBI registered clearing corporation. Both the clearing corporations are being granted annual renewal of recognition under MII Regulations.

Depository

A depository is an organisation which holds securities (like shares, debentures, bonds etc.) of investors in electronic form at the request of the investors through a registered depository participant. India International Depository IFSC Limited (IIDF) is the sole depository functional in GIFT IFSC which acts as the record keeper of securities.

Capital Market Intermediaries

The Capital Market Intermediaries (CMIs) are generally client-facing entities which assist issuing company and investors to perform various transactions in the capital market. Activities of CMIs in IFSC are governed under IFSCA (Capital Market Intermediaries) Regulations, 2021. These regulations have specified the regulatory framework for various types of intermediaries such as broker dealers, clearing members, depository participants, investment bankers, investment advisers, custodians, distributors etc

Broker Dealers

Broker dealers are entities which execute trades on their own account as well as on behalf of their clients on the recognised stock exchanges in IFSC.

Table 12: Broker dealers in IFSC

Stock Exchange	No. of Broker Dealers as on March 31, 2025
NSE IX	74
India INX	60

Source: India INX and NSE IX

Table 13: Remote Trading Participants (RTPs) onboarded by IFSC Stock Exchanges

Stock Exchange	No. of RTPs as on March 31, 2025
NSE IX	6

Source: NSE IX

Clearing Members

A clearing member is an intermediary that is responsible for clearing and settlement of all trades executed by a broker dealer.

Table 14: Clearing members in IFSC as on March 31, 2025

Clearing Corporation	Self-Clearing Members	Trading cum Clearing Members	Professional Clearing Members
NICCL	6	12	2
India ICC	5	9	2

Source: India ICC and NICCL

Depository Participants

A depository participant (DP) is a participant of a recognized depository and acts as an intermediary between the depository and the investor. As on March 31, 2025, there are ten DPs registered with the Authority.

Custodians

A custodian is a specialized financial institution that carries on the business of providing custodial services in relation to financial products which include safekeeping of such financial products and providing services incidental thereto. As on March 31, 2025, there are five custodians registered with the Authority.

Credit Rating Agencies

Credit Ratings Agencies (CRAs) play a crucial role in the global financial markets by providing independent assessments of the creditworthiness of various entities, including sovereigns, corporations, and financial instruments. These assessments help investors make informed decisions, facilitate the efficient allocation of capital, and promote financial stability.

The IFSC ecosystem offers various opportunities for CRAs including credit rating of bonds, credit rating of banking relating products and services, sovereign ratings, research, and other permitted activities. As on March 31, 2025, there is one CRA registered with the Authority.

Debenture Trustees

Debenture Trustee is an independent third party appointed as a trustee in respect of an issue of a debenture. The role of debenture trustee is to protect the interests of the debenture holders. A Debenture Trustee registered with the Authority is permitted to undertake the activities as a trustee appointed in respect of any issue of debentures issued or listed in the IFSC or a Foreign Jurisdiction. As on March 31, 2025, there are four debenture trustees registered with IFSCA.

Distributors

Distributors are intermediaries who distributes capital market products and services to its clients for a commission. Distributors registered with IFSCA are allowed to undertake distribution of capital market products and services as permitted under the regulations and circulars notified by IFSCA. As on March 31, 2025, there are fourteen distributors registered with IFSCA.

ESG Ratings and Data Products Providers (ERDPP)

Globally, the role of ESG Ratings and Data Products Providers has grown substantially, driven by increased investor focus on sustainability, widespread adoption of net-zero commitments, and regulatory demands for transparent ESG disclosures. ERDPPs are engaged in the activities of providing services relating to ESG Rating or ESG Data Products under the regulatory framework notified by IFSCA.

IFSCA has issued a circular titled “*Framework for ESG Ratings and Data Products Providers in the IFSC*” on October 30, 2024, providing the regulatory framework for registration, regulation and supervision of ERDPPs in the IFSC.

Investment advisers

Investment advisers play a pivotal role in IFSCs by providing valuable guidance, managing risks and helping investors achieve their financial objectives in a complex and dynamic financial landscape. As on March 31, 2025, there are three investment advisers registered with the Authority.

Investment Bankers

Investment bankers play a vital role in facilitating capital formation, advising on strategic transactions, managing risk exposure, and facilitating cross-border transactions, and their expertise and services are essential for the efficient functioning of global financial markets. With the issuance of New Listing Regulations, their role is critical in providing IPO, FPO and listing related services in IFSC. Further, IBUs in IFSC have been permitted (authorized) by IFSCA vide circular dated December 3, 2021, to undertake investment banking activities in IFSC, subject to certain conditions.

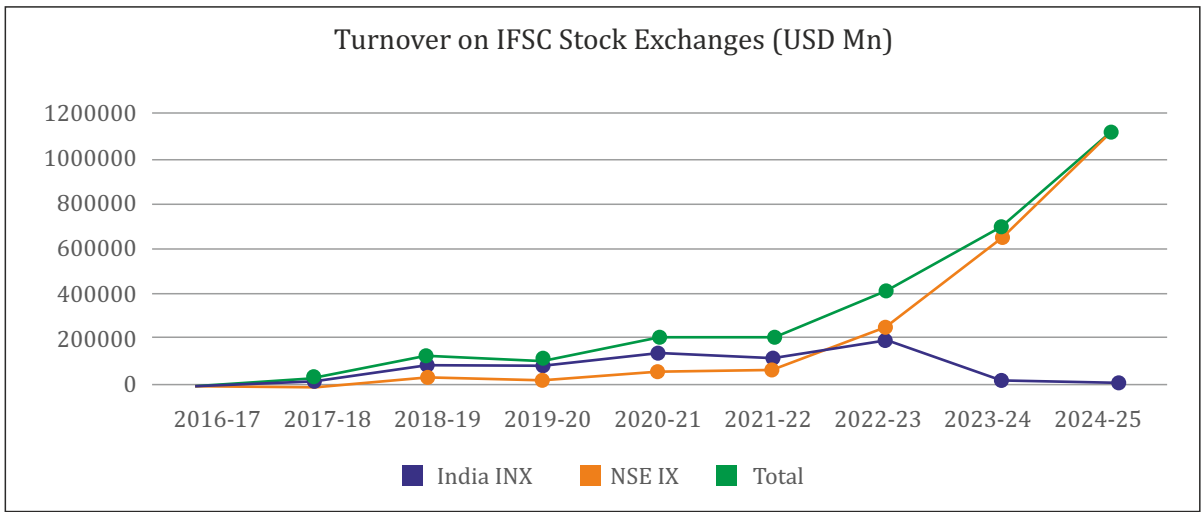
As on March 31, 2025, there are two investment bankers (registered) and two IBUs (authorized) to undertake investment banking activities in the IFSC. More entities are expected to take registrations in FY 2025-26.

Transaction/Processes/Operations/Trends

Turnover on Stock Exchanges

The turnover (including value of premium in case of options) on the stock exchanges in IFSC increased to USD 1125 Billion during FY 2024-25 compared to USD 711 Billion of FY 2023-24 registering an increase of 58.23%.

Figure 7 : Turnover on stock exchanges (in USD Mn)



Derivatives available for trading on Stock Exchanges

Index Derivatives

The most traded index derivative contract has been GIFT NIFTY 50 Futures on NSE IX, which had largest share in the total turnover for the FY 2024-25. Other index derivatives contracts available on NSE IX are Futures and Options on Bank NIFTY, NIFTY Financial Services, NIFTY IT, NIFTY Next 50 and NIFTY MidCap Select.

India INX offers derivatives contracts on two equity indices, namely BSE SENSEX 50 and BSE SENSEX.

Table 15 : Number of contracts and turnover in index futures

Financial Year	NSE IX		India INX	
	No. of contracts	Value of contracts (USD Mn)	No. of contracts	Value of contracts (USD Mn)
2023-24	16,678,005	680,920	1,242,244	24,905
2024-25	23,307,956	1,112,134	439,366	11,459

Source: NSE IX and India INX

Table 16 : Number of contracts and premium turnover in index options

Financial Year	NSE IX		India INX	
	No. of contracts	Value of contracts (USD Mn)	No. of contracts	Value of contracts (USD Mn)
2023-24	1,433,164	363	14,302,868	773
2024-25	709,760	343	1,234,069	30

Source: NSE IX and India INX

Commodity Derivatives

There are various commodities derivatives available for trading on the stock exchanges as mentioned in the table below.

Precious Metals	Gold, Silver
Base Metals	Copper
Energy	Brent Crude Oil

The turnover in commodity derivatives for the Financial Year 2023-24 and Financial Year 2024-25 has been as under:

Table 17 : Turnover in commodity derivatives on India INX

Financial Year	No of Contracts	Value of Contracts (USD Mn)
2023-24	45,343	2,901
2024-25	13,456	1,069

Source: India INX

Currency Derivatives

There are various currency derivatives available for trading on the stock exchanges as mentioned below:

Global Currency Derivatives	EUR - USD, GBP-USD, JPY – USD, CHF-USD, AUD-USD
Rupee Derivatives	INR - USD, USD – INR

Source: NSE IX and India INX

Table 18 : Turnover in currency derivatives on NSE IX

Financial Year	No of Contracts	Value of Contracts (USD Mn)
2023-24	19,731	480
2024-25	1,474	35

Source: NSE IX

Contract wise bifurcation of the turnover

Contract wise turnover on stock exchanges in FY 2023-24 and FY 2024-25 has been as under:

Table 19 : Contract wise turnover on stock exchanges (in USD Mn)

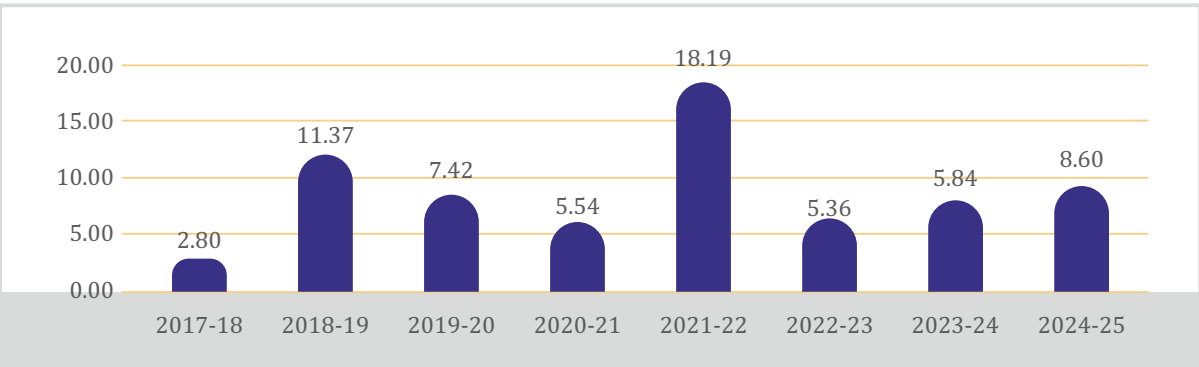
Financial Year	Commodity Futures	Currency Futures	Index Futures	Index Option	Total
2023-24	2,901.11	923.47	7,05,824.42	1,132.99	7,10,781.98
2024-25	1,068.70	35.17	11,23,593.00	374.00	11,25,070.87

Source: NSE IX

Debt Market at IFSC

The IFSC has emerged as a preferred destination for Indian issuers to list their foreign currency/ masala bonds, acting as a gateway for connecting India with global markets. The IFSCA (Lising) Regulations, 2024 provide globally benchmarked regulations for listing of debt securities on the recognised stock exchanges in the IFSC.

Figure 8 : Listing of Debt Securities (in USD Bn)



Source: India INX and NSE IX

(The amount may slightly vary due to rounding off and conversion from other currencies to USD)

As on March 31, 2025, the cumulative total of all debt securities listed on the stock exchanges in the IFSC amounts to USD 65.1 billion, compared to USD 56.5 billion as on March 31, 2024.

During the FY 2024-25, debt securities amounting to USD 8.6 billion were listed on the stock exchanges in the IFSC, out of which:

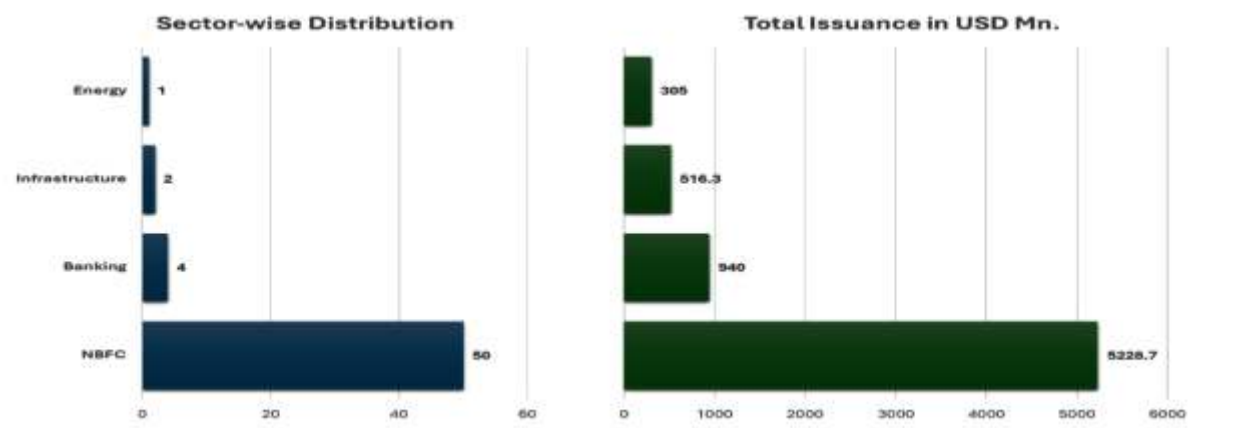
- i. Bonds worth USD 6.99 billion were issued as well as listed in FY 2024-25
- ii. Bonds amounting to 1.61 billion were issued in previous financial years but were listed on the stock exchanges in the IFSC, as secondary listings, in the financial year 2024-25.

During the FY 2024-25, a total of 57 issuances amounting to USD 6.99 billion were issued and listed on the stock exchanges in the IFSC, with a dominant presence from financial institutions – mainly Banks and NBFCs.

Key trends and insights of debt issuances in IFSC

The financial sector (mainly NBFCs) clearly dominates both in terms of number of issuances and total value, highlighting IFSC's role in connecting Indian financial institutions to global markets. Out of total 57 issuances, 50 issuances were by NBFC with cumulative listing of USD 5.23 Bn (out of total USD 6.99 Bn) during the FY 2024-25⁶⁴.

Figure 9 : Trends of Debt Issuance in IFSC



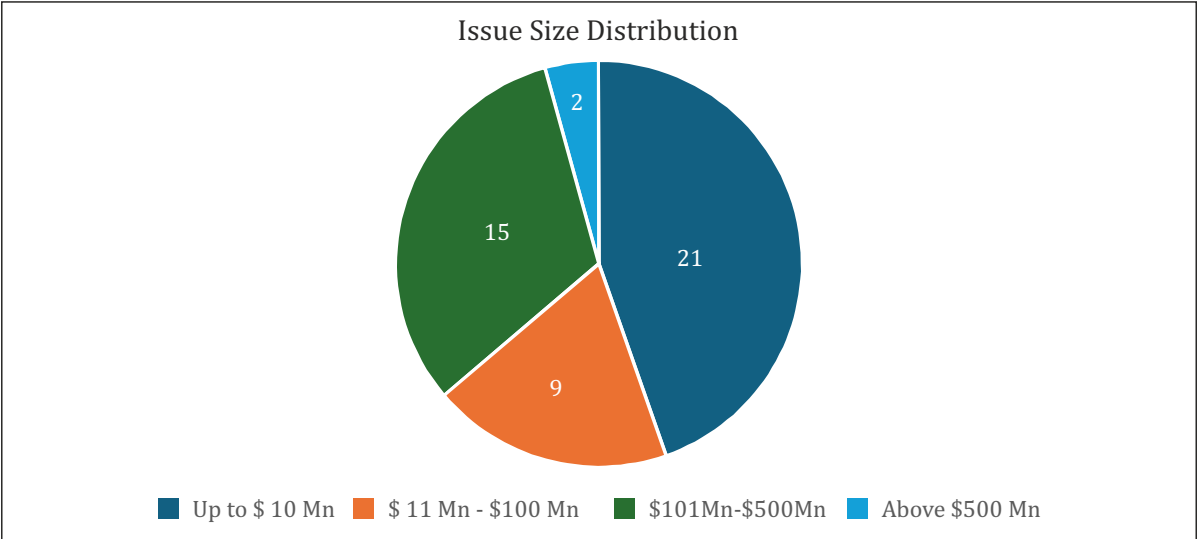
The top five issuances accounted for approximately 40% of the total issuances listed on the stock exchanges in the IFSC.

Issue Size Distribution

There were 21 bonds with issue size upto USD 10 million, indicating that the issuers with small issuances have also issued foreign currency bonds and listed these bonds on the stock exchanges in the IFSC. Further, there were 9 bonds with issue size between USD 11 million to USD 100 million.

⁶⁴ Excluding bonds that were issued in previous financial years and secondary listing on the stock exchanges in the IFSC in FY 2024-25

Figure 10 : Distribution by Issue Size of Debt



This pattern indicates that IFSC serves two distinct market segments:

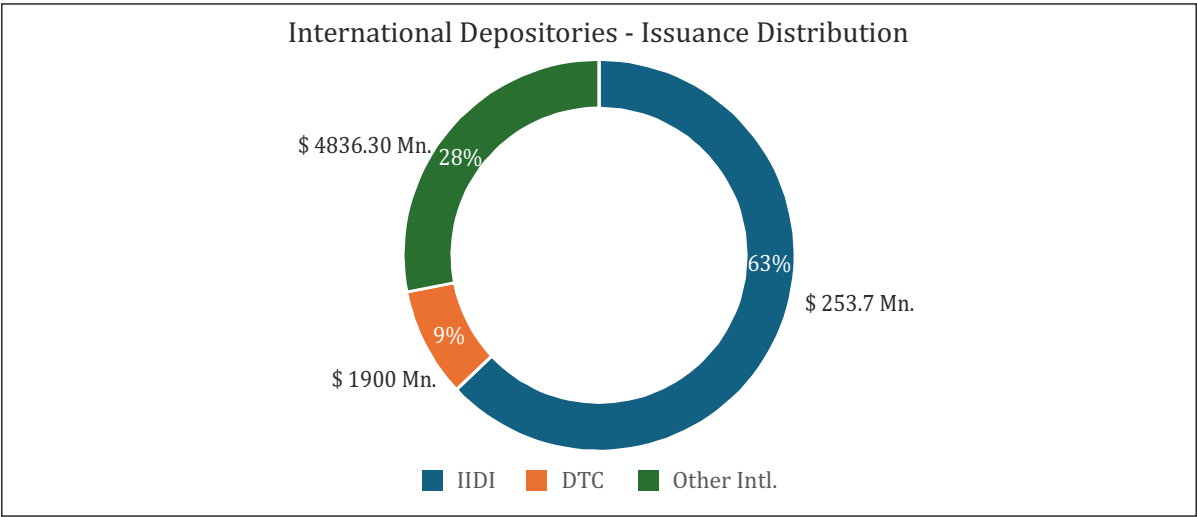
- a. Large corporations accessing international bond markets; and
- b. Smaller financial institutions seeking specialized funding.

Depositories

The bonds listed on the stock exchanges in the IFSC are held in the following depositories:

- i. **India International Depository Limited (IIDI)** – 36 issuances with a total size of USD 253.7 Mn.
- ii. **The Depository Trust Company (DTC)** – 5 issuances with a total size of USD 1,900 Mn.
- iii. **Other ICSDs** (like Euroclear, Clearstream etc.) – 16 issuances with a total size of USD 4836.30 Mn.

Figure 11: International Depositories wise Issuance Distribution



It is observed that small size issuances are being placed at IIDI, while large size issuances are placed at other ICSDs (DTC, Euroclear and Clearstream). In terms of number of issuances, the highest number of issuances (36) were held by IIDI (the depository in IFSC).

The IFSC has also done a deep dive study into both the Bond ecosystem and the ESG bond ecosystem at the IFSC and placed the studies on the website for public consumption.

Additionally, during the year, it was observed in once instance a bond issuer and its compliance officer had committed violations of certain disclosure requirements under the applicable regulatory framework. Accordingly, IFSCA issued advisory letters to the concerned issuer and its compliance officer.

Supervision

Supervision of MIIs

The Authority conducts supervision of MIIs with the objective of having oversight on their overall activities across different functional areas and making recommendations for improvement in the deficiencies identified with respect to compliance, and resilience of their systems & procedures. The supervision is conducted through off-site reviews and on-site visits with specific inspection goals. During FY 2024-25, the Authority conducted an on-site inspection of NSE IX.

In addition, the Authority continuously monitors the activities and compliances with various regulatory requirements through periodic reports being submitted by the MIIs. These reports *inter-alia* provide information on exchange transactions and various related statistics, functioning of the governing board, disciplinary actions taken by MIIs, incidents of default and non-compliance with operating rules which may have risk implications for MIIs. Furthermore, MIIs are also required to provide supplementary information for off-site supervision.

Supervision of CMIs

Offsite Supervision

As part of continuous off-site supervision of Capital Market Intermediaries (CMIs), IFSCA has laid down the framework for offsite supervision of CMIs by specifying reporting norms for CMIs required to be submitted on a quarterly basis. The report format includes submission of quantitative and qualitative information about CMI's operations and a duly signed undertaking of compliance from the principal and compliance officers of the CMIs.

The analysis of Quarterly Reports and the action taken based on the observations in Quarterly Reports are conducted by the Division of Supervision of Intermediaries on an on-going basis. Administrative actions in the form of advisory, deficiency and warning letter were taken against CMIs for noncompliance related to

- I. non-submission of the reports,
- ii. late submission of the reports,
- iii. Non reporting or incorrect reporting of net worth,
- iv. Non submission of the undertaking of compliance,
- v. Non submission of FIU registration details etc.

Table 20 : Summary of administrative actions taken based on Offsite Supervision during FY 2024-25

Sr. No.	Type of Administrative action	No. of CMIs
1	Warning letter	3
	1) For non-compliance of Net-worth Requirement 2) for non-submission of quarterly report for all 3 or 2 quarters	18
2	Advisory letter for non-submission of the report	11
	Non reporting or incorrect reporting of net worth	14
	Non submission of the undertaking of compliance	17
	Non submission of FIU registration details	7
	Surrender of registration for inactive members	2

Onsite Supervision of CMIs

During the FY 2024-25, 22 CMIs were identified on the Risk Based Supervision criteria for onsite supervision which was carried out by the MIIs of the CMIs and IFSCA. Further, based on the complaints and representations from MIIs, limited purpose supervision of three CMIs was carried out.

Onsite Visit to CMIs

To ensure presence of system, manpower and infrastructure at the premises of CMIs commensurate with the business carried out by the CMIs, onsite visit of 82 CMIs were carried out during financial year 2024-25. Based on the onsite visit, administrative actions in the form warning letter were taken for closed office premises or presence of temporary staff. Further, in one instance, the matter has been referred to enforcement for necessary action.

Net Worth of CMIs

With a view to sensitizing CMIs about the importance of maintaining adequate capital and to disincentivize behaviour which may lead to a fall in net worth, certain business restrictions imposed regarding not undertaking any existing or new business activity in IFSC till the time the net worth is restored.

Advocacy and Outreach

IOSCO Annual Meeting

A delegation led by Chairperson participated in the IOSCO Annual Meeting (AM) 2024, held in Athens, Greece during May 26 - 28, 2024. During the visit, IFSCA participated in various IOSCO meetings, workshops, bilateral meetings with regulators of other jurisdictions.

IOSCO Meetings, Conference and Workshops

The delegation attended various IOSCO meetings such as the Asia Pacific Regional Committee Meeting, Growth and Emerging Markets Committee Meeting, MMoU Monitoring Group Meeting, OECD-IOSCO Conference on Sustainable Bonds, Presidents Committee Meeting and Regulatory Workshops on various topics including sustainability-related bond markets and SupTech.

Bilateral meetings with securities markets regulators of various countries

IFSCA held bilateral meetings with securities markets regulators of several jurisdictions including Commodity Futures Trading Commission (USA), Financial Services Agency (Japan), Securities and Commodities Authority (UAE), Finansinspektionen (Sweden), Qatar Financial Markets Authority, Financial Supervisory Commission (Taiwan) and Astana Financial Services Authority. The discussions were carried out on regulatory updates and collaboration on areas of mutual interest between the authorities.

IOSCO World Investor Week, 2024

IFSCA celebrated the IOSCO World Investor Week, 2024 (WIW) during the week starting October 14, 2024.

The IOSCO WIW is a global week-long campaign to raise awareness about the importance of investor education and protection and highlight various initiatives of securities regulators. IFSCA, in coordination with the stock exchanges and other market participants celebrated the IOSCO World Investor Week and participated in a series of events (webinars, physical events, interaction with students, short videos, messages on social media etc.) with the objectives to create awareness about the various opportunities in the IFSC for investors and to highlight the regulatory initiatives taken by IFSCA in the areas of securities regulation. The key themes for the WIW revolved around sustainable finance and technology.

The activities included:

Release of short video series by IFSCA

IFSCA released a series of nine short videos on creating awareness about “*GIFT IFSC - The Gateway to India*” covering the overall financial market ecosystem in the IFSC.

Social Media Campaign on - *A smart investor*

A social media campaign on “*A smart investor*” was conducted wherein several messages were posted on social media during the WIW on the themes related to sustainable finance, investor resilience, frauds, scams prevention etc.

Closing Bell Ceremony

Shri Arjun Prasad, GM, IFSCA rang the closing bell during the event organised by India INX and IIM Ahmedabad Alumni Association. He shared insights on various opportunities in GIFT IFSC through an interactive session with IIM Alumni and Angel/ VC investors.



Image 4: Shri Arjun Prasad, GM, IFSCA participating in the Closing Bell Ceremony during WIW

Global Securities Markets Conclave

The Global Securities Markets Conclave has been conceptualized as a flagship securities market event in GIFT IFSC, organized by the IFSCA with the support of and in coordination with the market infrastructure institutions in the IFSC, namely NSE IX, India INX, NSE ICC, India ICC, IIDI, and IIBX.



Image 5: Shri K. Rajaraman, Chairperson, IFSCA participating in the inaugural ceremony of the GSMC

The inaugural edition of the Conclave took place on January 16 - 17, 2025 at GIFT City Club, Gujarat, India with the theme *"Building an Innovative & Sustainable Securities Markets Ecosystem in GIFT IFSC"* dedicated to fostering innovation and sustainability in the securities market ecosystem in GIFT City.

The Conclave hosted over 250 distinguished participants from the global financial markets, allowing participants to connect with industry leaders, fund managers, corporates, economists, and international institutions, fostering collaboration and exchange of knowledge in the securities markets ecosystem. Also, over 2,000+ participants joined the conclave virtually through live video streaming.

Highlights of the Conclave

Shri K. Rajaraman, Chairperson IFSCA, in his address, highlighted the transformation of IFSCA's initial mandate from 'onshoring the offshore' to its renewed focus on supporting India's ambitious vision for 'Viksit Bharat @2047'. Shri K. Rajaraman highlighted the reforms carried out by the Government of India and financial sector regulators in the recent past, which lay the foundation of India's growth journey, while outlining the key dimensions to achieve the vision of Viksit Bharat. The Chairperson reiterated IFSCA's commitment to the vision of Viksit Bharat and encouraged market participants to support this objective.

Shri V. Anantha Nageswaran, Chief Economic Advisor, Government of India during his special address, shared his perspective on the evolution of financial markets in India and the integral role of GIFT IFSC in this transformation. While complimenting the vision of the Government of India in creating GIFT IFSC, he highlighted the crucial role that GIFT IFSC can play particularly in the wake of the emergence of India as an economic powerhouse.

The two-day Conclave was packed with a comprehensive agenda and featured 20+ sessions, focusing on emerging trends in capital markets, cross-border financial services, sustainable finance, fund management and landscape of private investments, bullion & precious metal ecosystem, and the evolving role of GIFT IFSC as a global financial hub. Several industry leaders and subject matter experts shared their insights on a wide variety of subjects, such as new business models and emerging areas of growth, enhancing investor confidence, leveraging the might of the Indian diaspora, harnessing the power of emerging technologies for market growth, etc.

Panel Discussion on the topic **"The Role of GIFT IFSC in Making India a Global Economic Powerhouse"**

A key highlight of GSMC was a panel discussion on *"The Role of GIFT IFSC in Making India a Global Economic Powerhouse,"* moderated by Ms. Latha Venkatesh of CNBC, featuring Shri K. Rajaraman (IFSCA), Mr. T. V. Mohandas Pai, and Mr. Ashishkumar Chauhan.

The panel noted that with a strong regulatory and tax framework now in place, GIFT IFSC is well-positioned for global competitiveness. Opportunities like AI-BFSI hubs, global treasury centres, and commodity trading were discussed. While acknowledging the centre's rapid progress, the panel emphasized the need to attract talent and enhance quality of life to sustain growth. They expressed confidence in GIFT IFSC's future as a key channel for global capital flows.

8th ICMA & JSDA Annual Sustainable Bond conference, titled "Enabling Sustainable Society/ Economy-Wide Transition through Sustainable Bonds"



Image 6: Shri Pradeep Ramakrishnan, ED, IFSCA in a Panel Discussion on “Leadership Dialogue: Sustainable Finance Regulation and Policy”, Tokyo

Shri Pradeep Ramakrishnan, ED, IFSCA participated in a Panel Discussion on “*Leadership Dialogue: Sustainable Finance Regulation and Policy*” during the 8th Annual ICMA & JSDA Conference held in Tokyo on November 22, 2024. The Panel delved into best practices followed by regulators in Asian jurisdictions on Sustainable Finance. Shri Pradeep Ramakrishnan shared insights on the various initiatives taken by IFSCA to develop GIFT IFSC as a hub for sustainable finance.

Policy and Programmes for the Following Year

New Capital Market Intermediaries Regulations 2025

The Authority in its meeting held on March 26, 2025, approved the New CMI Regulations. The New CMI Regulations will be notified in the FY 2025-26 providing the revised regulatory framework for registration, regulation and supervision of capital market intermediaries set up in the IFSC.

Master Circular for Capital Market Intermediaries

Following the notification of the New CMI Regulations, IFSCA will issue Master Circular for various categories of capital market intermediaries operating in the IFSC. This master circular will consolidate the various regulatory requirements pertaining to CMIs and ensure easier compliance by market intermediaries, fostering ease of doing business.

New regulations on Takeovers and Buybacks

IFSCA will be undertaking a comprehensive review of the regulatory framework governing takeovers and buybacks of equity shares of companies listed on recognised stock exchanges within the IFSC. These upcoming regulations will be benchmarked with the global best practices

and aligned with IOSCO's core principles, thereby enhancing market integrity, promoting investor confidence, and ensuring a level playing field for market participants to foster a globally competitive financial ecosystem.

New regulations on prohibition of market abuse

IFSCA will be reviewing the regulatory requirements pertaining to the prohibition of insider trading and the prevention of fraudulent and unfair trade practices within the securities market in the IFSC. The objective is to implement a robust system aimed at detecting and mitigating fraudulent activities, including price manipulation, insider trading, unauthorized trading, and other unfair practices, thereby ensuring market discipline, safety of investor's interest and upholding the integrity of the financial markets. This review will be guided by the core principles prescribed by the IOSCO to ensure market fairness, deterrence of misconduct, and adherence to the highest standards of ethical conduct.

Global Securities Market Conclave 2.0

With the success of the Global Securities Market Conclave, the next edition of the same is expected to draw in more participants from various industry verticals.

Consumer Education And Protection

One of the key regulatory objectives of IFSCA is to protect the interests of financial consumers. Ensuring robust framework for consumer protection is fundamental to fostering trust and confidence in the financial markets in the IFSC.

The regulatory approach by IFSCA for safeguarding the interests of financial consumers includes,

- i. Ensuring that financial service providers (i.e., regulated entities) are subject to comprehensive regulatory oversight including registration obligations, initial and ongoing capital requirements, adherence to code of conduct etc. The regulations issued by IFSCA ensure that regulated entities dealing with consumers are subject to such requirements.
- ii. Ensuring that the regulatory framework mandates issuers to provide complete, accurate, and timely disclosure of material information, thereby enabling investors to make informed investment decisions. The IFSCA (Listing) Regulations, 2024 contain specific provisions in this regard.
- iii. Ensuring that consumers deal with entities that are licensed/ registered/ recognized/ authorised by IFSCA. The list of all the licensed, registered, recognised and authorised entities is made available on the website of IFSCA.

Further, during FY 2024-25, IFSCA issued a Press Release on September 20, 2024, cautioning the public against dealing with any unauthorized broker dealer claiming to be broker dealer in IFSC. The Press Release is available on the website of IFSCA.

- iv. Conducting effective supervision (offsite and onsite) to ensure that the regulated entities comply with the regulatory norms and requirements specified by IFSCA. Several measures have been taken by IFSCA to strengthen supervision in the IFSC. Details regarding supervision are provided in the relevant sections.
- v. Strengthening enforcement measures to protect consumers from fraudulent, manipulative, and misleading practices.
- vi. Establishing an efficient mechanism for redressing grievances of consumers.

Complaint Handling and Grievance Redressal

While IFSCA had previously laid down requirements for complaint handling under various regulations and circulars notified by IFSCA, a need was felt to specify a comprehensive and harmonized approach for grievance redressal and complaint handling by regulated entities across various financial services in the IFSC. A consultation paper on the proposed mechanism for *Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC* was issued on August 30, 2024. The framework proposed by IFSCA were based on the standards laid down by IOSCO, IAIS, BCBS, OECD, and best practices in leading international financial centres.

Pursuant to public consultation, IFSCA issued a circular titled "*Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC*" ("Complaint Handling Circular") on December 02, 2024, specifying the norms and processes for handling of complaints and redress of grievances of financial consumers by regulated entities in the IFSC.

The salient features of the Complaint Handling Circular are as follows:

Applicability

The regulatory framework on complaint handling issued by IFSCA is applicable on all entities regulated by IFSCA, dealing with any consumer or client other than their group entities, except for entities such as foreign Universities, ancillary service providers, Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (BATF) service providers, global/regional corporate treasury centres and entities engaged in aircraft leasing or ship leasing in the IFSC.

Policy

The regulated entities shall have a policy on handling of complaints and grievance redressal, duly approved by its governing body or its Board of Directors, as applicable. The policy on Complaint Handling and Grievance Redressal shall be prominently disclosed on the website of the regulated entities or on a dedicated webpage of its Group Entity, as applicable, under the heading "Complaint Handling and Grievance Redressal". The name and contact details of the Complaint Redressal Officer ("CRO") and the Complaint Redressal Appellate Officer ("CRAO") shall also be prominently displayed under this section.

Complaint Handling Procedure (Retail Consumers)

Complaint Redressal Officer:

On receipt of a complaint, the Complaint Redressal Officer of the regulated entities shall make an assessment on the merits of the complaint. The regulated entities shall acknowledge acceptance of complaints, in writing, within 3 working days of receipt of the complaint. In case of non-acceptance, the regulated entities shall inform the complainant within 5 working days along with reasons. The regulated entities shall dispose of complaint preferably within 15 days but ordinarily not later than 30 days of acceptance of complaint.

Complaint Redressal Appellate Officer

If dissatisfied with the outcome, complainants can file an appeal to the Complaint Redressal Appellate Officer within 21 days of receiving the decision. The CRAO must resolve the appeal within 30 days.

Complaint Before the Authority

If the complainant remains dissatisfied after exhausting the entity's internal appeal process, the complainant may escalate the matter to IFSCA by sending an email to grievance-redressal@ifsc.gov.in within 21 days. Where a complaint is against a trading member or a clearing member or a depository participant or a bullion trading member or a bullion clearing member, the consumers shall first approach the relevant market infrastructure institution before approaching IFSCA.

Maintenance of records

The regulated entities shall maintain records of all complaints, including correspondence, resolutions, and reasons for rejection, for the period as specified in the circular.

Reporting

The regulated entities shall file reports on handling of complaints in the form and manner specified by the Authority. The regulated entities shall have a section with heading “Complaint Handling and Grievance Redressal” in its Annual Report, if the entity is required to file an annual report for its business activities in the IFSC under the applicable laws. In case the entity is not required to file an annual report, the entity shall display the same on its website / dedicated webpage of its Group Entity, as applicable.

Stakeholder Interactions

IFSCA held several interactions with the stakeholders in the months of December 2024 and January 2025 to familiarize them with the norms and requirements mentioned in the circular. Based on the feedback received from stakeholders, the Complaint Handling Circular has been made effective with effect from April 1, 2025.

Other Initiatives

IFSCA has created dedicated webpage “Consumer” → “Complaints” on the website of IFSCA providing detailed information about the mechanism for complaint handling in the IFSC.

IFSCA has created another webpage “Consumer” → “Alerts against Possible Scams” providing information about –

- i. Link to Directory for consumers to check if an entity is registered/ authorised by IFSCA
- ii. Press Releases issued by IFSCA relating to Consumer Protection
- iii. Link to IOSCO's International Securities & Commodities Alerts Network (I-SCAN) IOSCO receives alerts and warnings from its members regarding firms that are not authorized to provide investment services in the jurisdiction that issued the alert or warning. This link will help consumers to know about scams in other jurisdictions.

Fund Management

With the aim of fostering a robust and globally competitive fund management ecosystem, IFSCA undertook a comprehensive review of the IFSCA (Fund Management) Regulations, 2022. The review, guided by the objective to simplify regulations and reduce compliance burden while ensuring investor protection, to strengthen the regulatory framework while preserving its foundational principles.

Pursuant to an extensively consultative approach, the draft of the reviewed regulations was submitted in the Authority meeting held in December 2024, and notified in the Official Gazette on February 19, 2025, as the IFSCA (Fund Management) Regulations, 2025. Aligned with global best practices, these regulations encourage innovation and enhance the ease of doing fund management activities in IFSC.

The IFSCA (Fund Management) Regulations, 2025, offer a unified and streamlined registration framework for FMEs, allowing them to carry out a range of fund management activities, such as:

- a. Managing retail schemes (including Exchange Traded Funds),
- b. Operating non-retail schemes (Alternative Investment Funds),
- c. Managing investment trusts (REITs and InvITs),
- d. Providing portfolio management services.

The regulations provide for registration of FMEs under three categories:

1) Registered FME (Retail)

Under this category, FMEs can cater to retail investors as well as non-retail investors by offering a wide array of investment products and services, such as retail schemes (including Exchange Traded Funds), non-retail schemes (Alternative Investment Funds), Venture Capital Schemes, Portfolio Management Services, etc.

2) Registered FME (Non-Retail)

This category is meant for FMEs that intend to manage funds or provide Portfolio Management Services to accredited investors or investors investing at least up to a certain threshold (USD 150,000 in case of Restricted Schemes and USD 75,000 in case of Portfolio Management Services).

3) Authorised FME

A special category with light-touch registration is accorded to such FMEs that intend to invest only in unlisted securities of start-ups through a Venture Capital Scheme and cater exclusively to accredited investors or investors investing at least USD 250,000.

The three registration categories for FMEs, based on the risk potential of the activities permitted to them, also determine the initial and ongoing regulatory requirements applicable to them.

The detailed eligibility and regulatory requirements for FMEs, Retail Schemes, Non-Retail Schemes, Venture Capital Schemes, Portfolio Management Services and Investment Trusts have been prescribed under the regulations.

Policy/ Regulatory Developments

Streamlining Scheme Launches for Enhanced Ease of Doing Business

Intending to enhance ease of doing business and enabling quicker market access for new schemes, IFSCA issued a circular on April 05, 2024, simplifying the process for filing schemes or funds. The FMEs are now permitted to file the Private Placement Memorandum (PPM) of proposed schemes along with the prescribed disclosures and supporting documents to the Authority under a green channel, whereby the schemes filed may be opened for subscription by investors immediately upon communication from the IFSCA to the FME that the PPM has been taken on record. This streamlined approach is expected to significantly accelerate the fund launch process and further strengthen the competitiveness of the IFSC as a global financial hub.

Strengthening Governance through KMP Appointment Guidelines

To promote greater accountability within FMEs while furthering its commitment to ease of doing business, IFSCA issued a circular on February 20, 2025, outlining a clear and standardised process for the appointment and change of Key Managerial Personnel (KMP) of the FMEs.

Transition to Fund Management Regulations, 2025

To facilitate a smooth transition of schemes from the IFSCA (Fund Management) Regulations, 2022 to the newly notified IFSCA (Fund Management) Regulations, 2025, pursuant to the approval of the Authority in the meeting held in March 2025, IFSCA issued a circular on April 08, 2025, enabling the schemes taken on record under the IFSCA (Fund Management) Regulations, 2022 to be launched under the new regulatory regime by availing of a one-time window extended by IFSCA allowing the FMEs to re-file the such scheme PPMs within three months from the date of the circular, subject to certain conditions. This measure is intended to ensure regulatory parity between schemes authorised under different regulatory regimes and prevent disparate treatment of similarly situated entities. Further, such measure is also expected to mitigate jeopardizing the resources invested by the FMEs in securing various approvals, building investor awareness, appointing vendors and service providers, etc.

Valuation of Assets of Schemes by Credit Rating Agencies at IFSC

In an effort to provide FMEs with an additional option for independent valuation of assets, IFSCA issued a circular dated July 25, 2024, through which, CRAs registered with the IFSCA, have been permitted to undertake valuation of assets for schemes. With this measure, the schemes launched by FMEs in IFSC now have the option to avail of the valuation services for their schemes from the CRAs, in addition to a fund administrator or a custodian, registered with IFSCA, or a valuer registered with the Insolvency and Bankruptcy Board of India (IBBI).

Box 1: Review of IFSCA (Fund Management) Regulations, 2022

In the Union Budget for FY 2023-24, the Hon'ble Union Finance Minister announced that:

"To simplify, ease and reduce cost of compliance, financial sector regulators will be requested to carry out a comprehensive review of existing regulations. For this, they will consider suggestions from public and regulated entities...."

In view of the above and as part of its continued commitment to streamlining regulatory processes, enhancing ease of doing business, and reducing compliance burden, IFSCA undertook a comprehensive review of the IFSCA (Fund Management) Regulations, 2022.

The review process commenced with invitation of suggestions towards review of IFSCA (Fund Management) Regulations, 2022 vide a Press Release dated October 10, 2023.

Further, in its endeavour to raise awareness about the regulatory regime for fund management opportunities in GIFT-IFSC and to provide guidance to market participants, IFSCA engaged with market participants in investment funds ecosystem in India and other major jurisdictions through one-to-one meetings, roadshows, industry roundtables, conferences, etc. In course of these interactions, with a view to continuously refine the regulatory framework, IFSCA actively seeks suggestions from these participants. Further, as one of its outreach initiatives, IFSCA has organized Chintan Shivir with market participants across several sectors, which has also provided IFSCA with the inputs for further improvement of its regulatory frameworks.

With a view to implement the key suggestions received from the various avenues and to make the IFSCA (Fund Management) Regulations, 2022 future-ready for the next phase of growth of the fund management industry in IFSC, IFSCA issued another consultation paper on August 5, 2024, inviting public comments on specific proposals of amendments to the said regulations. The feedback received was thoroughly examined and also deliberated upon by the Fund Management Advisory Committee (FMAC) of IFSCA.

Subsequently, the revised regulatory framework was discussed and approved at the Authority meeting held on December 19, 2024. While the overarching principle of registering an FME with it being permitted to undertake host of fund management activities and the overall regulatory framework remains the same, changes have been undertaken to usher in further ease of doing business, clarify the intent of certain regulatory provisions and introduce safeguards as are deemed necessary for the protection of investors' interest.

Following a robust consultation process, the IFSCA (Fund Management) Regulations, 2025 were published in official gazette on February 19, 2025.

Continued efforts to enhance the regulatory environment for fund management in the IFSC and align with global best practices, IFSCA notified the Fund Management Regulations, 2025, which supersede the 2022 regulations and came into effect on February 19, 2025. These regulations were developed through a detailed consultative process and are aimed at fostering innovation, reducing compliance burdens, and promoting ease of doing business in GIFT-IFSC.

Key enhancements under the 2025 framework along with the transitions, include:

Lower minimum corpus requirement: The threshold for launching Non-Retail Schemes has been reduced from USD 5 million to USD 3 million. In case of open-ended Category III Restricted Schemes, FMEs can commence investment upon raising USD 1 million, with the remaining corpus to be achieved within 12 months.

Extended validity of Private Placement Memorandums (PPMs): The validity period for PPMs has been doubled from 6 months to 12 months. Additionally, FMEs are now allowed a one-time extension of PPM validity by 6 months upon payment of 50% of the applicable filing fee.

Streamlined transition mechanism: FMEs with schemes authorized under the 2022 regulations that held a valid PPM as on February 19, 2025, are permitted to transition seamlessly to the 2025 framework. A one-time opportunity is also available for re-filing expired PPMs under defined conditions, with reduced fees and extended validity.

Fee clarity for regulatory amendments: No processing fees are applicable for amendments made solely to align existing PPMs with the updated regulatory requirements under the 2025 regime.

The revised framework not only provides greater flexibility and regulatory clarity to FMEs but also strengthens GIFT-IFSC's positioning as a globally competitive hub for fund management activities.

Box 2: Ease of investing enabled for NRI/ OCI investors

In the budget speech in July 2019, the Hon'ble Finance Minister made the following announcement:

"Even though India is the world's top remittance recipient, NRI investment in Indian capital markets is comparatively less. With a view to provide NRIs with seamless access to Indian equities, I propose to merge the NRI-Portfolio Investment Scheme Route with the Foreign Portfolio Investment Route."

India is home to the world's largest diaspora, with over 35 million NRIs and OCIs⁶⁵ contributing more than USD 100 billion annually through inward remittances, making India the largest recipient of remittances across the globe. Despite this strong financial link, their participation in India's capital markets has been constrained due to regulatory limitations.

Recognizing the immense potential of this global investor base and in order to provide a seamless route for the NRI/ OCI investors to invest into Indian securities through IFSC funds, IFSCA and SEBI have jointly created a regulatory channel for the same.

The SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2024, SEBI Circular dated June 27, 2024 and IFSCA Circular dated May 02, 2024 have now dispensed with the ceiling on the aggregate contribution by NRI/ OCI investors to IFSC funds investing into listed Indian securities and provided an avenue for IFSC funds to channel up to 100% NRI/ OCI investments

⁶⁵ Ministry of External Affairs data

into India in a seamless manner, as opposed to funds in other foreign jurisdictions which are not permitted to accept NRI/ OCI contribution in excess of 50% of their corpus.

In this regard, following two alternative routes for increasing participation by NRIs and OCIs in Indian securities through IFSC based FPIs have been prescribed under SEBI (Foreign Portfolio Investors) Regulations, 2019:

Alternative route 1:

NRI/ OCI/ RI investors may contribute up to 100% in the corpus of IFSC based FPI, where such FPIs will be inter alia required to submit copies of PAN (or other suitable documents in the absence of the same), of all their NRI/ OCI/ RI individual constituents, along with their economic interests in the FPI, to the DDP.

Alternative route 2:

NRI/ OCI/ RI investors may contribute up to 100% in the corpus of IFSC based FPIs without the FPI required to submit the documents mentioned under Alternative Route 1, provided it satisfies certain eligibility conditions, including the FME being a subsidiary or branch of an Asset Management Company of a Mutual Fund that is registered with the SEBI and is sponsored by a Bank regulated by the RBI.

This regulatory measure marks a significant milestone in positioning the GIFT IFSC as the preferred global gateway for the Indian diaspora to participate in the country's growth journey.

Transaction/Processes/Operations/Trends

The fund management industry in GIFT IFSC has demonstrated strong growth momentum, positioning itself as a preferred jurisdiction for international fund operations. As of March 31, 2025, IFSCA had registered 162 FMEs, which have collectively launched 229 schemes. These schemes have raised cumulative investor commitments amounting to USD 15.74 billion and have deployed cumulative investments worth USD 5.88 billion. This growth signifies the strong industry acceptance of the regulatory and tax ecosystem of GIFT-IFSC.

Table 21: Fund Management Ecosystem in GIFT IFSC

Particulars	March 2024	March 2025	YoY Growth
Number of FMEs	114	162	~42%
Number of Schemes	120	229	~90%
Cumulative Total Commitments Raised (USD Bn)	8.41	15.74	~87%
Cumulative Total Funds Raised (USD Bn)	3.94	7.95	~101%
Cumulative Total Investments Made (USD Bn)	3.80	8.07	~112%

As on March 31, 2025, there are 162 FMEs registered with IFSCA, wherein the largest number of registrations have been observed in the Registered FME (Non-Retail) category.

Table 22: Number of registered FMEs

FME Registrations	As on March 31, 2025
Total Number of FMEs	162
<i>of which, No. of Registered FME (Retail)</i>	9
<i>of which, No. of Registered FME (Non-Retail)</i>	144
<i>of which, No. of Authorised FME</i>	9

Table 23: Investment by Fund Management Schemes

Details regarding Schemes (As on March 31, 2025)		(In USD Mn)
	Schemes Authorised	Investment Made
Venture Capital Schemes	16	42.77
<i>of which, Angel Schemes</i>	5	8.82
Restricted Schemes	213	8033.42
<i>of which, Category I & II AIFs</i>	78	4516.95
<i>of which, Category III AIFs</i>	135	3516.47
Total Schemes in IFSC	229	8076.19

Portfolio Management Services

The IFSCA (Fund Management) Regulations 2025 provide that FMEs which are registered under the categories of Registered (Retail) and Registered (Non-Retail) may also provide Portfolio Management Services. There are 23 such FMEs which provide these services in IFSC and manage assets worth USD 1.18 Billion.

Supervision

Apart from the offsite supervision carried out by IFSCA through the reports received from the FMEs on a quarterly frequency, during the year onsite visits of 8 (eight) FMEs were carried out. As a result of these supervisory activities, the following actions were taken or initiated:

Action Taken / Initiated	No. of Instances
Advisory Letters Issued	29 ⁶⁶
Warning Letters Issued	2
Enforcement Action Initiated	1
Total Actions	30

⁶⁶ 27 letters issued to the FMEs, and 2 letters issued to Registered Distributors

Advocacy and Outreach

IVCA Conclave 2025

Shri K Rajaraman, Chairperson, IFSCA along with other senior officials attended the Indian Venture and Alternate Capital Association (IVCA) Conclave 2025 in Mumbai on February 12, 2025.



Image 7: Chairperson, IFSCA with senior officials of Fund Management industry

On the sidelines of the conclave, IFSCA held an interactive roundtable discussion with fund managers and market participants to create greater awareness about GIFT and also towards garnering feedback on the regulatory framework for Fund Management in IFSC.

IFSCA-IVCA Fund Management Conclave 2025

IVCA in collaboration with other industry stakeholders organized '*IFSCA-IVCA Fund Management Conclave 2025*' on March 12, 2025, at GIFT City, Gandhinagar, Gujarat.

Roundtables and Collaborations

To raise awareness about the evolving fund management industry at IFSC and to engage with industry stakeholders, senior officials of the IFSCA have participated in various roundtable discussions with senior officials of fund managers, asset management companies, portfolio managers and wealth managers in IFSC, India and foreign jurisdictions. Additionally, the IFSCA collaborates with various industry bodies to understand industry needs, address regulatory challenges, and promote dialogue within the sector.

Policies and Programs for the Following Year

Framework for third-party fund management services

In line with the global best practices and with a view to allow fund managers and investment advisers in other jurisdictions to avail of the fund management platform within GIFT IFSC, a regulatory framework will be deliberated during the year, which *inter alia* is likely to enhance the ease of undertaking fund management business in IFSC while also drawing a balance with the critical element of investor protection and jurisdictional integrity.

Categorization of Restricted Schemes

The IFSCA (Fund Management) Regulations, 2025 enable the FMEs to undertake a wide bouquet of fund management activities, which include setting up various type of schemes/ pooled vehicles as well as bespoke services for their investors. Among the various type of schemes permitted in IFSC, the 'Restricted Schemes' are meant for accredited investors or those who are willing to contribute at least USD 150,000. In order to provide better clarity on the permissible activities for each category of Restricted Scheme, a circular on the matter is proposed to be issued during the year.

Metals And Commodities

India, one of the world's largest importers and consumers of gold, is set to strengthen its position in the global precious metals market through the establishment of the India International Bullion Exchange IFSC Limited (IIBX) at GIFT IFSC. This initiative stems from the NITI Aayog's 2018 report on reforming India's gold ecosystem and was subsequently announced in the Union Budget of 2020.

Following this, IFSCA issued the IFSCA (Bullion Exchange) Regulations in December 2020, which got recently replaced by the IFSCA (Bullion Market) Regulations, 2025, notified in the Official Gazette in February 2025.

IIBX was set up by a consortium of five leading Market Infrastructure Institutions (MIIs) in India, in collaboration with GIFT IFSC. The Exchange was officially inaugurated by the Hon'ble Prime Minister on July 29, 2022. The objective behind the establishment of IIBX is to create a dynamic and transparent platform for trading precious metals such as gold and silver, enabling India to become a price influencer rather than a price taker in the global market.

Major Milestone for IIBX and Precious Metals Ecosystem in GIFT-IFSC

The Financial Year 2024-25 has been a significant year for the IIBX. The total import of gold through IIBX since its launch crossed 100 tonnes, marking a significant achievement for IIBX and an overall precious metals ecosystem in GIFT IFSC.

First Transaction of Nominated Bank on IIBX

One of the **Reserve Bank of India-nominated bank** participated as a **Special Category Client (SCC)**, gaining direct access to the IIBX to import gold on behalf of its domestic clients on February 28, 2025.

India is the world's second-biggest gold consumer after China and, thus, aims to be a significant price influencer in the global gold market. According to the World Gold Council, jewellery demand worldwide contracted by 11 per cent in 2024 due to high prices. However, India remained relatively resilient with only a 2 per cent decline in jewellery demand, compared to China's sharp 24 per cent drop. India's gold imports surged by USD 12.47 billion to touch USD 58.01 billion in FY 2024-25 as compared to USD 45.54 billion in FY 2023-24. In volume terms, 757.04 tonnes of gold were imported into India against 795.25 tonnes in FY 2023-24, registering a decline of 4.80%.

World Silver Survey 2025⁶⁷ highlights India's pivotal role in the global silver market, particularly in industrial and jewellery sectors. India's industrial silver consumption increased by 4 per cent in 2024, ranking second globally after China. In contrast to global trends, India experienced a 21 per cent rise in demand for silver coins and bars, driven by bullish investor sentiment and favourable import policies.

The precious metals account for 8 per cent of the country's total imports and with a huge demand for gold and silver in the country, the formation of an International Bullion Exchange (IIBX) is one of the steps which provide opportunities for formalization of the gold and silver import/trade in India. The Exchange provides a more transparent, democratic, and an efficient platform for import/ trade of gold and silver. The Authority also aims to introduce more commodity-related products and derivatives thereon on the exchanges in the GIFT IFSC in the times to come.

⁶⁷ <https://silverinstitute.org>

Policy/ Regulatory Developments



IFSCA (Bullion Market) Regulations, 2025

The IFSCA (Bullion Market) Regulations, 2025 have been notified in the Official Gazette in February 2025. The IFSCA (Bullion Market) Regulations, 2025 replaced the IFSCA (Bullion Exchange) Regulations, 2020, which were notified on December 04, 2020.

Apart from furthering the objective of price discovery for bullion taking place through Bullion Exchange in GIFT IFSC, the Bullion Market Regulations are expected to usher in further ease of doing business, clarify the intent of certain regulatory provisions and introduce safeguards as are deemed necessary for the protection of customer's interest in the bullion market ecosystem in the IFSC.

India International Bullion Exchange

IIBX is promoted by India's leading market infrastructure institutions like NSE, India INX, India ICC, NSDL, CDSL and MCX and is regulated by IFSCA. The role of IIBX is to provide a transparent electronic trading platform for metal and commodities trading in IFSC, democratic pricing mechanism, greater integration with other segments of financial market, become a price influencer in the international market, etc. During the Financial Year 2024-25, 93.07 tonnes of gold and 239.18 tonnes of silver were imported through IIBX.

Products on IIBX

The following spot products are available on IIBX:

Gold			
Product	Description		
	Trading Unit	Purity	Good Delivery Standard
Gold 995 T+0	1 Kg	995	Bars supplied by LBMA approved suppliers or other suppliers as may be approved by IIBX.
Gold Mini 999 T+0	100 grams	999	
UAEGD Gold 995 T+0	1 Kg	995	Bars supplied by UAE Good Delivery (UAEGD) approved suppliers.
UAEGD Gold 999 T+0	100 grams	999	
UAEGDTRQ Gold 995 T+0	1 Kg	995	Bars supplied by UAE Good Delivery (UAEGD) approved suppliers under the India-UAE Comprehensive Economic Partnership Agreement (CEPA)
UAEGDTRQ Gold 999 T+0	100 grams	999	

Silver			
Product	Description		
	Trading Unit	Purity	Good Delivery Standard
Silver Grains T+0	20 Kg	999	Grains/bars supplied by LBMA approved suppliers or other suppliers as may be approved by IIBX.
Silver Bar T+0	30 Kg	999	
UAEGD Silver Grains T+0	20 Kg	999	Grains/bars supplied by UAE Good Delivery (UAEGD) approved suppliers.
UAEGD Silver Bar T+0	30 Kg	999	
UAEGDCEPA Silver Grains T+0	20 Kg		Grains supplied by UAE Good Delivery (UAEGD) approved suppliers under the India-UAE Comprehensive Economic Partnership Agreement (CEPA)

Exchange, Clearing Corporation

IIBX is an IFSCA recognised Bullion Market Infrastructure Institution operating as a Bullion Exchange and Bullion Clearing Corporation. Currently, as a Bullion Exchange, it provides platform that offers trading in products related to bullion (gold and silver). Its role as a Clearing Corporation is to act as a central counter party for clearing and settlement of all the trades executed on the Bullion Exchange.

Depository

GIFT IFSC has a single depository named India International Depository IFSC Ltd (IIDI) (previously known as CDSL IFSC Ltd) which has also been designated as a Bullion Depository. The role of IIDI is to perform the function of issuance of Bullion Depository Receipts in electronic form for trading on the Bullion Exchange. It also performs the function of overseeing the storage and safeguarding of bullion through the vault managers. Further, as a bullion depository, IIDI also ensures that the vault manager has the systems, mechanism, and related IT infrastructure to provide encrypted transmission of information to the bullion depository and system-based reconciliation of data between the vault manager and bullion depository.

Vaulting Infrastructure

The vaulting infrastructure in GIFT IFSC includes facilities for the storage of the bullion. Currently, 3 Vault Managers are operating with total capacity of 440 tonnes of gold and 2,400 tonnes of silver.

Bullion Market Intermediaries

The number of the Bullion Market Intermediaries registered in the capacity of Bullion Trading member (Bullion TM), Bullion Trading and Clearing member (Bullion TCM), Bullion Trading cum Self Clearing Member (Bullion TSCM) and Bullion Professional Clearing member (Bullion PCM) as on March 31, 2025, is given below. The names and details of these entities are available on the website of the Authority.

Bullion TM	Bullion TCM	Bullion TSCM	Bullion PCM
7	8	3	2

Qualified Jewellers

The Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry vide its Notification No.49/2015-2020 dated January 05, 2022, had, inter alia, specified that Qualified Jewellers (QJs) notified by IFSCA shall be permitted to import gold under ITC(HS) Codes 71081200 and 71189000, through India International Bullion Exchange IFSC Limited (“IIBX”).

Further, vide its Notification in October 2023, DGFT amended the import policy condition for silver to permit import by QJs under ITC (HS) Codes 71069110 and 71069290.

Based on the said DGFT notifications, IFSCA has issued enabling circulars specifying, inter alia, the eligibility conditions for notifying an entity as a Qualified Jeweller for the purpose of undertaking imports of gold and silver through IIBX.

As of March 31, 2025, IFSCA has notified 167 Qualified Jewellers, the details of which are available on the website of the Authority.

Valid India-UAE CEPA TRQ Holders

India and UAE have signed a Comprehensive Economic Partnership Agreement on February 18, 2022, which, inter alia, promotes bilateral trade in bullion, and gems and jewellery sectors. Under the India-UAE CEPA, India can import a certain quantity of gold (Tariff Rate Quota) from the eligible UAE entities every year with customs duty 1% lower than the prevailing rate. The said TRQ is allocated to eligible Indian entities (India-UAE CEPA TRQ holders) by DGFT at the start of every Financial Year.

With a view to facilitate imports by India-UAE CEPA TRQ holders through IIBX, DGFT amended the import policy condition for ITC(HS) Code 71081200 of Chapter 71 of ITC(HS) 2022, Schedule -I (Import Policy) stating that valid India-UAE TRQ holders as notified by IFSCA can import gold through IIBX against the TRQ and can obtain physical delivery of the same through IFSCA registered vaults located in SEZs as per the guidelines prescribed by the IFSCA. Subsequently, IFSCA issued a circular on December 13, 2023, to facilitate the participation of India-UAE CEPA TRQ Holders on the IIBX for import of UAE Good Delivery (UAEGD) TRQ Gold under the India-UAE CEPA. Further, RBI vide circular dated January 31, 2024, provided the guidelines on import of gold by TRQ Holders under the India UAE CEPA as notified by IFSCA to all the Category-I Authorised Dealer Banks. During FY 2024-25, IFSCA notified 441 entities as valid India UAE CEPA TRQ Holders that could undertake imports of gold/silver through IIBX under the India-UAE CEPA.

Transaction/Processes/Operations/Trends

Major Developments/ Operations

- Total gold imported through IIBX since launch has crossed 100 tonnes valuing USD 8.46 billion approximately by the end of FY 2024-25.
- Total silver imported through IIBX since launch of its trading on December 13, 2023, touched 1147.98 tonnes valuing USD 92.67 million approximately by the end of FY 2024-2025.
- IFSCA approved extension in trading hours for T+0 contracts on IIBX by 1 hour. The revised trading hours at IIBX are 9 AM to 6:30 PM, as against 9 AM to 5:30 PM earlier. The revised trading hours came into effect from May 24, 2024.
- IIBX launched trading in Gold Futures on June 21, 2024. Gold Futures available on IIBX provide participants with an option to settle their open positions by giving/taking physical delivery of gold. Gold Futures trade from 9 AM to 11:30 PM.
- Pursuant to IFSCA's approval, IIBX launched gold and silver spot contracts with vault in Chennai as an additional vaulting centre. These contracts were launched as separate tokens under the existing products (with GIFT IFSC delivery centre) with effect from July 29, 2024. This Vault is the first IFSCA-registered vault located outside the GIFT IFSC.

Table 24: Participants on India International Bullion Exchange (IIBX)

Participants	As on Mar 31, 2024	As on Mar 31, 2025
Qualified Jewellers	118	167
<i>Clients</i>	<i>70</i>	<i>118</i>
<i>'Special category' Clients</i>	<i>48</i>	<i>49</i>
Qualified Suppliers	26	37
<i>Clients</i>	<i>24</i>	<i>34</i>
<i>'Special category' Clients</i>	<i>02</i>	<i>02</i>
QS IFSC	-	01
Valid India UAE CEPA TRQ Holders	82	441

Table 25: Regulated Entities/ Intermediaries on IIBX

Participants	As on Mar 31, 2024	As on Mar 31, 2025
Bullion Trading Members	5	7
Bullion Trading Cum Self Clearing Members	3	3
Bullion Trading Cum Clearing Members	6	8
Bullion Professional Clearing Members	2	2
Vault Managers	3	3

Table 26: Product-wise summary of trades on IIBX

Participants	During FY 2023-24		During FY 2024-25	
	Traded Value (USD Mn)	Traded Volume (in kg)	Traded Value (USD Mn)	Traded Volume (in kg)
LBMA 1 kg Gold 995	4.52	75.00	0.00	0.00
LBMA 100 gm Gold 999	0.00	0.00	0.00	0.00
UAE GD 1 kg Gold 995	2.22	34.00	8.46	106.00
UAE GD 100 gm Gold 999	7.24	114.80	10.97	135.50
UAEGD TRQ 1 kg Gold 995	252.91	3957.00	3471.10	40514.00
UAEGD TRQ 100 gm Gold 999	238.38	3747.40	4437.75	52317.40
Total (Gold)	505.27	7928.20	7928.28	93072.50
UAEGD CEPA SILVER GRAINS	698.48	908800.00	217.91	228060.00
UAEGD SILVER GRAINS	0.00	0.00	1.10	1100.00
SILVER GRAINS	0.00	0.00	0.00	0.00
UAEGD SILVER BAR	0.00	0.00	0.00	0.00
SILVER BAR	0.00	0.00	9.29	10020.00
Total (Silver)⁶⁸	698.48	908800.00	228.31	239180.00

Supervision

IFSCA has conducted the onsite and offsite supervision of regulated entities.

Offsite Supervision

To ensure the development of bullion market ecosystem in GIFT IFSC, supported by a compliance of all rules/regulations prescribed by IFSCA, monthly reports of the physical bullion stock position containing details such as type of bullion, quantity and quality against which the Bullion Depository has issued Bullion Depository Receipts are obtained.

Onsite Supervision

During FY 2024-25, IFSCA carried out the onsite supervision of two Bullion Trading and Clearing Members (TM/CM) and three vaults in GIFT IFSC. Advisory Letters were issued to 2 Bullion TM/CMs and the Bullion Exchange, post the onsite supervision of the Bullion TM/CM. With respect to onsite supervision of the Vaults, Advisory letters were also issued to 3 Vault Managers and Bullion Depository. Further, based on the onsite supervision of the Bullion Exchange by IFSCA in the previous Financial Year, Cautionary letter was issued to the Bullion Exchange.

⁶⁸ The trading of silver started on IIBX from December 13, 2023

Working Group/ Committee

Expert Committee on positioning GIFT IFSC as a Global Commodity Trading Hub

IFSCA has constituted an Expert Committee on positioning GIFT IFSC as Global Commodity Trading Hub under the Chairmanship of Shri Rajeev Kher, former Commerce Secretary and former Member of Competition Appellate Tribunal. The Expert Committee has been set up with a view to enabling commodity trading in IFSC, which will facilitate business integration of IFSC financial ecosystem with global trade flows, capitalize on integration opportunities with major commodity hubs and attract global investment flows into IFSC, thereby helping IFSC grow competitively.

Advocacy and Outreach

Various outreach programs were undertaken by IFSCA towards the growth and development of Bullion ecosystem in IFSC. These include participation in global and national conferences such as-

- i. India Silver Conference, Goa, in April 2024
- ii. Dubai Precious Metal Conference, Dubai, UAE, in November 2024
- iii. India Management Research Conference IIM Ahmedabad, Ahmedabad, December 2024
- iv. Global Securities Markets Conclave 1.0, GIFT-City, in January 2025
- v. IGPC-IIMA Annual Gold & Gold Markets Conference, New Delhi, in February 2025

Further, the Authority also interacted with the market participants of the Bullion ecosystem in GIFT IFSC to gather their feedback on various challenges faced by them while trading and importing through IIBX.

Policies and Programmes for the Following Year

Working on the proposals/recommendations of Expert Committee for positioning GIFT IFSC as a Global Commodity Trading Hub

IFSCA has constituted an Expert Committee on positioning GIFT IFSC as Global Commodity Trading Hub under the Chairmanship of Shri Rajeev Kher, former Commerce Secretary and former Member of Competition Appellate Tribunal. The Expert Committee has been set up with a view to enabling commodity trading in IFSC, which will facilitate business integration of IFSC financial ecosystem with global trade flows, capitalize on integration opportunities with major commodity hubs and attract global investment flows into IFSC, thereby helping IFSC grow competitively.

Drafting and notification of Bullion Market Intermediaries Regulations

IFSCA is in the process of formulating comprehensive regulations for intermediaries involved in the bullion market, such as bullion dealers, vault managers, and trading platforms. These regulations aim to establish clear operational, compliance, and governance standards to ensure market integrity.

IFSCA Bullion Good Delivery Guidelines

IFSCA is in the process of notifying guidelines defining the standards and procedures for the good delivery of bullion, including specifications on weight, purity, and refiner accreditation. These guidelines aim to create uniformity and global acceptance of bullion traded on the IFSC platform.

Extension of trading hours on IIBX

IFSCA plans to extend trading hours on the India International Bullion Exchange (IIBX) to align more closely with global bullion market timings. This will provide increased flexibility and access for international participants

Enabling, approving and regulating products – features, design, suitability, etc. through regulatory framework for products like Gold ETF, Silver ETF, Commodities ETF, Gold Mutual Funds, etc.

IFSCA is exploring formulation of regulatory frameworks to support innovative commodity-linked investment products, including Gold ETFs, Silver ETFs, and Gold Mutual Funds, within the IFSC. The focus will be on product suitability, risk disclosures, and investor protection.

Introduction/approval of Gold Quanto Futures, Silver Quanto Futures, Gold Options and Silver Options

IFSCA is working towards introducing advanced derivative instruments like Gold Quanto Futures, Silver Quanto Futures, and options contracts to provide hedging and speculative opportunities for market participants. These products will be designed with global market standards in mind.

Operationalising the IFSC vaulting centres at other locations within SEZs or Free Trade Warehousing Zones across India.

The introduction of the Rule 19A to the SEZ Rules has enabled establishment of new vaulting infrastructures outside the GIFT. It is expected that more vaults may be operationalized in SEZs in Chennai, Kolkata and other regions of the country.

FinTech

In alignment with the vision articulated by Hon'ble Prime Minister Shri Narendra Modi to position GIFT City as the preeminent global nerve centre for next-generation financial and technological services, and following the announcement by Hon'ble Union Finance Minister Smt. Nirmala Sitharaman in the Union Budget 2021-22 regarding the government's commitment to develop a world-class FinTech hub at GIFT IFSC, the IFSCA has laid out a comprehensive strategy to realise this mandate. This includes building global visibility and mindshare among FinTechs, formulating progressive and forward-looking regulatory frameworks, and introducing targeted incentives to promote innovation and entrepreneurship. Key milestones in this journey include the release of the Progressive Regulatory Framework for FinTech in 2022 and the implementation of the FinTech Incentive Scheme, which supports both Indian and foreign FinTech ventures. Collectively, these initiatives reinforce IFSCA's commitment to nurturing a vibrant and robust FinTech ecosystem, firmly establishing GIFT IFSC as a pioneering FinTech laboratory on the global stage.

Policy/ Regulatory Developments

Framework for FinTech Entity in the IFSCs

In accordance with the vision of the Hon'ble Prime Minister to create a world-class fintech hub, IFSCA had issued a circular providing for a unique Framework for FinTech Entity in the IFSCs ("FE Framework") for FinTechs and TechFins on April 27, 2022.

The FE Framework enables some class/categories of technology companies having a deployable advanced/ innovative technology solution which aids and assists activities in relation to financial products, financial services, financial institutions and, credible track record including financial performance, defined as "TechFin" to obtain Direct Entry (Authorization by IFSCA). Further it also provides entities access to different categories of sandboxes to develop and test TechFin and FinTech Solutions in IFSC by providing Limited Use Authorization. The entities, fulfilling the eligibility criteria according to the framework, which exhibit genuine innovation and need for live testing on real customers/ investors, had carried out limited prior testing, and provide direct benefit to users with proper risk management strategy, adequate test readiness and deployment plan post testing, can apply to IFSCA FinTech Regulatory Sandbox. Further, the entities fulfilling the eligibility criteria according to the framework may be permitted to access the IFSCA FinTech Innovation Sandbox where in FinTechs can test their solutions in isolation from the live market.

The FE Framework also incorporates two additional mechanisms to support the FinTech Entities as detailed below:

Inter Operable Regulatory Sandbox (IoRS): IoRS is a proposed mechanism to facilitate testing of innovative hybrid financial products/ services falling within the regulatory ambit of more than one financial sector regulators. IFSCA will facilitate Indian FinTechs seeking access to foreign markets and foreign FinTechs seeking entry into India.

Regulatory Referral Mechanism/ FinTech Bridges: It shall be governed as per the provisions of the MoU or collaboration or special arrangement between IFSCA and corresponding overseas Regulator(s). Currently IFSCA has FinTech Bridge with Monetary Authority of Singapore (MAS) which was executed by the way of MoU between the two regulators.

IFSCA has received a total of 159 Applications under the FinTech Entity Framework from 14 jurisdiction since its inception. The Authority received 28 applications in the FY 2024-25 under the FE Framework.

IFSCA has granted 16 regulatory approvals in the financial year 2024 -25 including 10 (earlier 04) Authorizations and 6 (earlier 22) Limited Use Authorizations.

IFSCA FinTech Incentive Scheme, 2022

IFSCA, with an overall objective to promote the establishment of a world-class FinTech Hub, at GIFT IFSC in India, launched the IFSCA (FinTech Incentive) Scheme for providing financial support to FinTech activities in the form of specific grant(s). The guidelines for implementation of the Scheme were issued on September 12, 2022.

Under the Scheme, the Evaluation Committee has recommended twelve applications for grants totalling ₹3.50 crore, and the disbursement of the approved grant amounts has been successfully completed.

Advocacy and Outreach

Global Financial Innovation Network (GFIN)

IFSCA, having joined the GFIN in the previous financial year as a Board Member of its Coordination Group, has continued to actively contribute to the network's strategic initiatives. As part of its responsibilities, IFSCA participated in various key meetings and activities throughout the year 2024 and early 2025. Notably, IFSCA virtually attended the Coordination Group meetings held on May 21, July 29, and November 12, 2024. In the July meeting, IFSCA recommended the membership applications of the Central Bank of Jordan and the Financial Markets Authority of New Zealand.

Further, IFSCA co-managed the GFIN Secretariat alongside the UK's Financial Conduct Authority (FCA) and organized a spotlight session on “*Gen AI – Use Cases for BFSI*” for GFIN members on October 29, 2024, following its proposal made in July. Reinforcing its commitment to global financial innovation, IFSCA also virtually participated in the GFIN Annual General Meeting held in Calgary, Alberta, Canada, from March 25 to 27, 2025.

IFSCA – IAIS Engagements

IFSCA, in its capacity as a member of the FinTech Forum of the International Association of Insurance Supervisors (IAIS), actively contributed to various meetings and discussions on emerging technologies in the insurance sector during the year 2024 and early 2025. IFSCA participated virtually in the IAIS FinTech Forum held on June 5, 2024, where updates were provided by the SupTech sub-group, the AI Application Paper drafting team, the API/ Open Data sub-group, and the Distributed Ledger Technology (DLT) Data sub-group.

Furthermore, IFSCA attended the in-person policy implementation meeting on AI in the Insurance Sector held in Basel, Switzerland, from September 3 to 4, 2024, followed by the IAIS FinTech Forum meeting on September 4, 2024. These engagements focused on advancements in AI, digital assets, SupTech, and embedded insurance. Continuing its involvement, IFSCA also participated virtually in the FinTech Forum meeting held on February 13, 2025, reinforcing its commitment to international collaboration on technological innovation in insurance supervision.

I-Sprint'23

In order to promote innovation, Global Hackathons (named I-Sprint' 23) were conducted in partnership with various organizations to promote innovations in the previous financial years.

The Sprint 09 and the Sprint 13 were concluded in this financial year with 85 participants.

Participation in In Space Industry Meet 2024

IFSCA participated in the “IN-SPACE Industry Meet” held on June 6, 2024, organized by the Indian National Space Promotion and Authorisation Centre (IN-SPACE) and Inaugurated by S. Somnath, Chairman ISRO. The event was part of IN-SPACE's ongoing efforts to foster sustained engagement with the private space industry and to promote a collaborative ecosystem for the growth of India's SpaceTech sector. During the meet, IFSCA delivered a focused presentation outlining the financial opportunities available for SpaceTech companies within the GIFT IFSC.

Participation in Global FinTech Fest (GFF) 2024

IFSCA actively participated in the Global FinTech Festival 2024 held on August 28-30, 2024, at Mumbai by contributing to a panel discussion on the theme, “*Innovation in FinTech Regulation: Balancing Innovation and Regulation in Global Financial Services.*” The session brought together global thought leaders and regulatory experts to deliberate on the evolving landscape of financial technologies and the regulatory approaches necessary to foster innovation while ensuring financial stability and consumer protection.

Cross Border Data Transfer: Workshop on Global CBPR



Image 8: IFSCA participation in Cross Border Data Transfers Workshop

IFSCA actively participated in the precursor session held on August 28, 2024, and the subsequent three-day workshop on “*Cross Border Data Transfers: Workshop on the Global CBPR*,” conducted from September 19 to 21, 2024 in New Delhi. The event was collaboratively organized by NASSCOM, the Data Security Council of India (DSCI), the Ministry of Electronics and Information Technology (MeitY), and the Ministry of External Affairs (MEA). The workshop brought together prominent stakeholders, including industry experts, regulators, and government officials, to foster a comprehensive understanding of the Global Cross-Border Privacy Rules (CBPR) framework and the Global Cooperation Arrangement for Privacy Enforcement (Global CAPE).

The primary objective of the workshop was to facilitate an in-depth exploration of the Global CBPR Framework, particularly its significance in enabling secure and trusted cross-border data flows and advancing digital trade. The sessions also provided a platform for informed deliberations on India’s potential participation in the Global CBPR system, considering its implications for national data governance and international data transfer practices.

Participation in Startup Policy Forum Baithak



Image 9: Shri Joseph Joshy, Chief Technological Officer, IFSCA, participated in Startup Policy Forum Baithak 2025 at G20 Summit room

IFSCA participated in the Startup Policy Forum Baithak 2025, held on January 15–16, 2025, at the G20 Summit Room. The forum provided a platform for meaningful dialogue among key stakeholders on policy frameworks and strategic initiatives to foster innovation and support the growth of startups within the financial sector. IFSCA further briefed participants on the unique advantages of the GIFT IFSC ecosystem, including its regulatory framework, the FinTech Entity Framework, and the various benefits available to startups operating within the jurisdiction.

Participation in National Stakeholder's Conference – Aadhar Samvad

IFSCA attended the National Stakeholders' Conference – Aadhaar Samvaad, held at the Jio World Convention Centre, BKC, Mumbai, on January 20, 2025. The conference highlighted the potential for enabling KYC document interoperability through access to SEBI and RBI CKYC, the possibility of establishing a dedicated CKYC system by IFSCA, and the promotion of use cases leveraging Aadhaar or equivalent digital identity for financial services such as mutual fund redemptions and insurance claims.

Participation in India Blockchain Week

IFSCA participated in India Blockchain Week and addressed the audience on its key initiatives aimed at fostering innovation in the financial sector. The address highlighted IFSCA's efforts in areas such as tokenisation and payments along with the support for the emerging technological solutions through Authorizations and sandboxes under the FinTech Entity Framework.

Participation in TiE Global Summit

IFSCA participated in the TiE Global Summit held on December 11, 2024, in Bengaluru. IFSCA delivered a keynote address on the theme *"Catalysing FinTech Objectives at IFSC"*. In addition, IFSCA actively took part in a panel discussion that encompassed a diverse range of topics, including cybersecurity and quantum technologies, ethical AI and regulatory frameworks, and tokenization. The engagement also included several one-on-one meetings with key stakeholders.

Participation in Nordic FinTech Week 2024

IFSCA participated in the Nordic FinTech Week held in Denmark from September 23 to 27, 2024. As part of the engagement, IFSCA took part in the Symposium on Anti-Money Laundering (AML), which provided a platform for dialogue on global best practices and regulatory developments in combating financial crimes.

In addition, IFSCA held one-on-one meetings with various FinTech and TechFin entities to discuss potential areas of collaboration and innovation. These interactions generated significant interest, resulting in five expressions of interest from international participants keen to explore business opportunities at GIFT IFSC.

Participation in Singapore FinTech Festival 2024



Image 10: Chairperson, IFSCA, at Singapore FinTech Festival (SFF) 2024

IFSCA actively participated in the Singapore FinTech Festival (SFF) 2024, held from November 6 to 9, 2024. As part of the program, the Chairperson, IFSCA participated in a panel discussion titled *“The India Story: On the Path to a \$7 Trillion Economy”* and took part in the Regulators' Dialogue on *“Global AI Governance – The Much-Needed Lifeline for Startups?”* Additionally, the Chairperson engaged in a roundtable with fund managers and held several bilateral and one-on-one meetings with various market stakeholders to explore opportunities for collaboration and strengthen international partnerships.

India – Philippines Joint Working Group on FinTech

IFSCA participated in the inaugural meeting of the India–Philippines Joint Working Group on FinTech, during which it collaborated with the RBI to conduct a session on the theme *“Promoting Cooperation in FinTech”*. The session aimed to enhance bilateral engagement and foster mutual understanding of regulatory approaches, technological developments, and collaborative opportunities in the FinTech sector.

Additionally, IFSCA took part in the sixth meeting of the India–Singapore Joint Working Group on FinTech, held on August 30, 2024, through video conferencing. The meeting provided a platform for continued dialogue and cooperation between the two nations, reaffirming IFSCA's commitment to strengthening international partnerships and promoting cross-border innovation in financial services.

India – Singapore Joint Working Group on FinTech

IFSCA attended virtually the sixth Joint Working Group on FinTech between India and Singapore held on August 30, 2024, at the Jio Convention Centre, Mumbai in which MAS and IFSCA decided that more firms shall be encouraged to use cross border regulatory sandboxes.

India-UK Financial Markets Dialogue

IFSCA attended the India-UK Financial Markets Dialogue held on December 12, 2024, in GIFT City. The Dialogue touched upon the possibility of exploration of establishment of cross-country regulatory sandbox to enable knowledge sharing, non-supervisory related information sharing and undertaking joint projects in technologies like AI and Quantum between the regulators of each country. Further, it was also mentioned that the establishment of cross-country regulatory sandbox between IFSCA and FCA may also lead to referrals of innovative fintech to each other's regulatory sandboxes including joint evaluation of the suitability of innovative use cases.

India's Digital Finance Framework at EU-SDFA

IFSCA participated in the European Union Supervisory Digital Finance Academy (EU-SDFA) held in Florence, Italy and led two key sessions. The academy, established by the European Commission's Directorate-General for Reform, convened 37 participants from 25 countries, representing 31 regulatory authorities — including central banks and supervisors of markets, pensions, and payments — along with officials from the EBA, ESMA, EIOPA, and EU-SDFA. The first session, titled *"Digital Finance Experiences from Non-European Jurisdictions"*, highlighted India Stack and the IFSC ecosystem, including the FinTech Entity Framework and regulatory sandboxes. The second session on the topic "Cross-Sectoral Trends and Priorities in Digital Finance", was conducted in collaboration with the World Economic Forum and ESMA.

Insurance and Pension

Insurance business is one of the most important segments of IFSC for developing the essential ecosystem of a financial market and providing insurance solutions to a global clientele.

IFSCA has enacted a world class and comprehensive regulatory framework for the insurers, reinsurers, and insurance intermediaries in IFSC focusing on ease of doing business. These regulations cover the aspects relating to registration of insurance business, manner of receipt of premium, designing of insurance products, investment of assets, preparation and presentation of financial statements, appointment and duties of appointed actuary, maintenance of information and records for inspection and investigation, inward and outward reinsurance operations, solvency margin etc.

While the growth in the domestic insurance market will enhance insurance inclusion and enable building large pools for Indian insurers, it also necessitates developing reinsurance capacities. GIFT IFSC, with its incentives and regulatory support, is well-positioned to develop these capacities for both Indian and global markets. Additionally, the global Indian diaspora offers significant opportunities for insurance entities to provide tailored health, life, and travel insurance products by establishing operations in GIFT IFSC.

Currently, the insurance ecosystem in IFSC comprises of 45 entities, including 18 IIOs (IFSC Insurance Offices) and 27 IIIOs (IFSC Insurance Intermediary Offices). The total (Re)insurance premium booked by IIOs is USD 560.77 Mn and the total (Re)insurance premium transacted by IIIOs is USD 1.35 Bn, up to March 2025.

Along with the Insurance industry, the pension industry also plays a crucial role in ensuring long-term financial security and stability, while also contributing significantly to capital markets and economic growth. As India strengthens its financial ecosystem, IFSCA has taken several steps to play a meaningful role in shaping a globally connected pension ecosystem.

Policy/ Regulatory Developments

To enable the rapid growth of insurance and re-insurance sector in GIFT IFSC, IFSCA has created a favourable regulatory environment. With thirteen (13) regulations already in place canvassing most of the regulatory space, IFSCA has adopted a principles-based approach, in line with global best practices.

IRDAI Master Circular on Insurance

The Insurance Regulatory and Development Authority of India (IRDAI) issued Master Circular on IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024 and IRDAI (Re-insurance) Regulations, 2018 dated May 31, 2024, which inter-alia, mandates Cross Boarder Reinsurers (CBRs), accepting re-insurance business from India, to maintain collateral in India, marking a significant step towards enhancing the domestic reinsurance landscape. This initiative is expected to play a pivotal role in retaining reinsurance business within the country, positioning India as a burgeoning hub for reinsurance activities.

The requirement of maintaining the collateral locally by CBRs aims to fortify financial security and stability, thereby fostering greater confidence among stakeholders and promoting the growth of the reinsurance sector in India. This strategic move underscores India's commitment to creating a robust regulatory framework that not only safeguards domestic interests but also attracts global reinsurance players to invest and operate in mainland India or GIFT IFSC, under the aegis of IFSCA.

Consolidated Regulations

Consolidated IFSCA (Registration of Insurance Business) Regulations, 2021: Subsequent to the amendment to IFSCA (Registration of Insurance Business) Regulations, 2021 in light of the amendments notified by the IRDAI on August 22, 2023, to its (Re-insurance) Regulations, 2018, and the launch of Single Window IT System (SWITS) platform with common application form, a consolidated version of the said regulations was placed on the website of the IFSCA, keeping in view the ease of doing business for Regulated Entities (REs).

Consolidated IFSCA (Investment by IIO) Regulations, 2022: Subsequent to the IFSCA (Investment by IFSC Insurance Office) (Amendment) Regulations, 2024, a consolidated version of the said regulations was placed on the website of the IFSCA, keeping in view the ease of doing business for Regulated Entities (REs).

Consultation paper on Proposed IFSCA Circular on Securitization requirements by overseas insurers or re-insurers for providing insurance covers to entities regulated by the IFSCA

The IFSCA's draft circular outlines securitization requirements for overseas insurers/ re-insurers providing insurance to REs in GIFT IFSC. It proposes safeguards such as maintaining a fixed deposit (50% of premium) or an irrevocable letter of credit (75% of liabilities) with IFSC banks. The aim is to balance flexibility for REs with financial stability. The objective of this consultation paper is to seek comments/ views/ suggestions from public on the proposed Securitization requirements by overseas insurers or re-insurers for providing insurance covers to entities regulated by the IFSCA.

Key Development: Expert Committee Report on Pension Products in GIFT IFSC

During the financial year, as a significant development, the Expert Committee chaired by Prof. Mukul Asher submitted its report on the development of pension products in the GIFT IFSC. The report outlines a strategic framework for introducing and regulating pension products within this international jurisdiction, aligning with global practices while supporting India's financial architecture.

Key Recommendations of the Expert Committee:

- i. The Committee recommends that it will be a non-INR denominated pension product in a currency as notified by IFSCA.
- ii. For enabling the regulatory framework for Pension in GIFT IFSC, a suitable exemption has to be carved out by the Government of India, as under the current PFRDA Act, section 25, *"Prohibition of investment of funds of subscribers outside India — No pension fund shall directly or indirectly invest outside India, the funds of subscribers"* Section 25 has to be exempted for IFSCA registered pension funds, and a broader investment horizon should be provided for the pension funds that are managed from this jurisdiction.

- iii. The Pension Product Provider (PPP) should either be registered under the ambit of IFSCA (Fund Management) Regulations, 2022, now amended IFSCA (Fund Management) Regulations, 2025, or under the Insurance regulations of IFSCA and will apply for product approval with the Pension Division.
- iv. IFSCA to issue Regulations for the pension products and conduct of the PPPs.
- v. Government of India should have bilateral talks for totalisation agreements, especially with the USA and UK. There are trade negotiations going on with UK, so it will be useful to have an item on pensions and the totalization with India can be discussed.
- vi. IFSCA should become member of International Organization of Pension Supervisors (IOPS). This will help in integrating with the other jurisdictions.
- vii. Government of India may consider issuing the tax enablement as recommended by the Committee. Tax Recommendations:
 - a. Proposed taxation at contribution stage: There have been certain developments over the period of time under the Indian pension (social security system) and its taxation especially in case of NPS, to provide more lucrative options to attract and retain the best talent in spite of additional cost to Indian exchequer. Under this backdrop, the taxation for the said pension product has been proposed to be as lucrative as possible. It is proposed that during the contribution period, a deduction can be provided up to INR 150,000 under the current Section 80C of the Indian Income Tax Act, 1961 from the taxable income.
 - b. Taxation on accretions: There should not be any taxes levied on the accretions generated during the contribution period on the said funds.
 - c. Taxation at withdrawal stage: At this stage, it is proposed that there should not be any income taxes on the withdrawal amount.
 - d. Availability in New tax regime: The exemption should be allowed to the individual even if they opt for the new tax regime.
 - e. Grandfathering even when a Non-Resident becomes a Resident: Grandfathering of tax benefit towards withdrawal should apply on the accumulated funds in the said pension fund even if a Non-resident (during the investment years) becomes a Resident in India later.
 - f. Income of IFSC Pension Scheme/ Trust: There should not be any taxes levied on any income earned by IFSC Pension Scheme/ Trust.

Statutory Notification: Pension Schemes Recognized as Financial Products under IFSCA Act, 2019

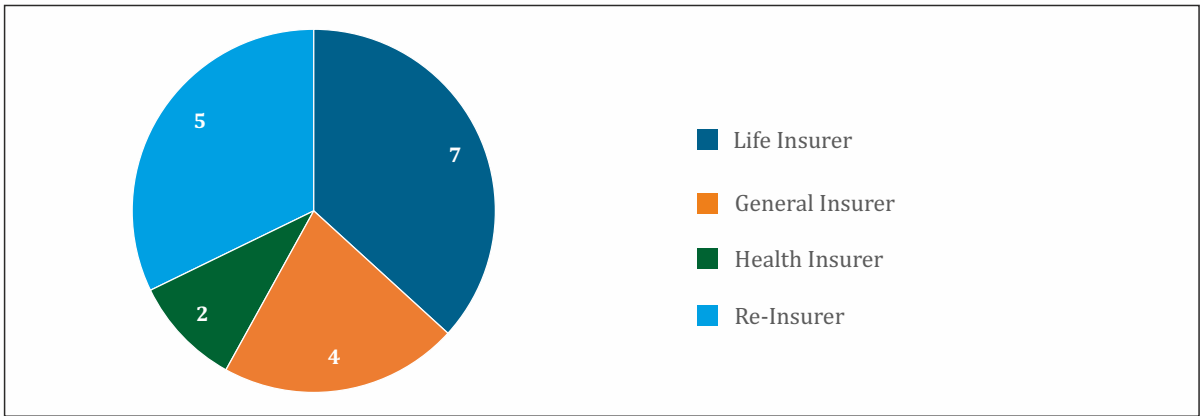
Furthering regulatory clarity and aligning with the Expert Committee's recommendations, the Government of India, through a notification dated December 5, 2024, under Section 3 of the IFSCA Act, 2019, officially notified 'schemes operated by a pension fund' as a 'financial product' for the purposes of the Act. This notification is a crucial enablement for the formal development and offering of pension schemes within the GIFT IFSC framework and strengthening the foundation for a globally competitive pension ecosystem.

Transaction/ Processes/ Operations/ Trends

Registration of entities

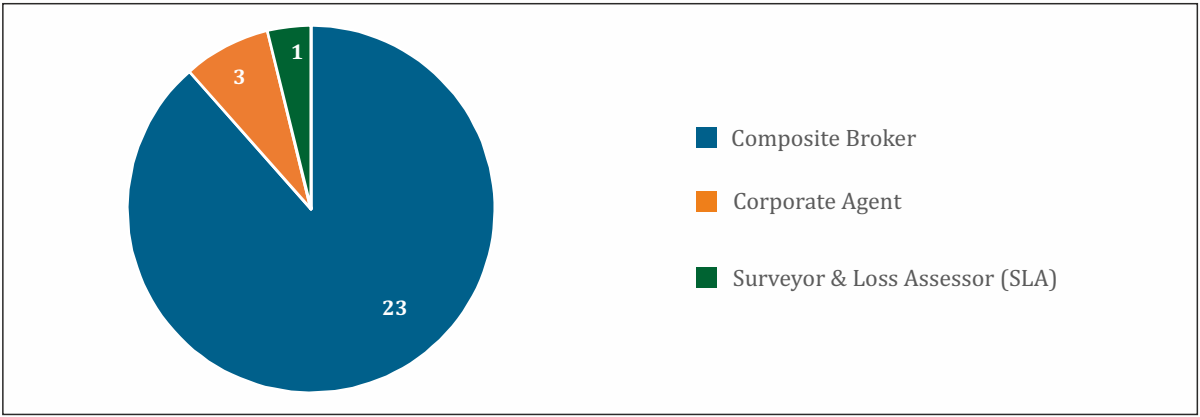
- (i) The insurance sector in GIFT IFSC has got a major fillip since the IFSCA took various initiatives both in regulatory as well as developmental parlance with support from Government. Total number of IFSC IIOs registered with GIFT IFSC has gone up from twelve in the previous financial year to 18 in this financial year.

Figure 12 : Classification of IIOs



- (ii) It is noteworthy that out of 7 new IIOs registered in FY 2024-25, 3 of them are from life insurance sector, 1 is from general insurance sector and 3 are foreign re-insurers. Further, registration for 3 life insurance companies is under process. The numbers show an increasing interest among the life insurance companies to tap the needs of life insurance products for the Indian diaspora. Similarly, the growth seen in the number of reinsurers would further enable GIFT IFSC to become a hub of reinsurance in Asia.
- (iii) Further, on the side of IIIOs, IFSCA gave registration to 1 composite insurance broker, 3 Corporate agents, 1 surveyor and loss assessor (SLA) in FY 2024-25, raising the total number of registered IIIOs to 27.

Figure 13: Classification of IIIOs

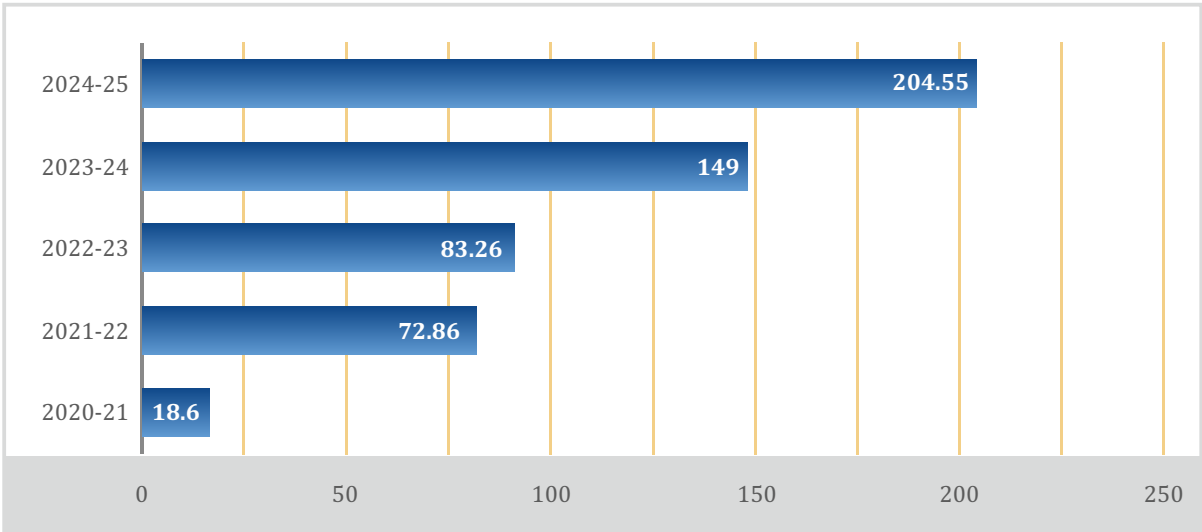


Business Transactions at the IFSC

IFSC Insurance Office (IIO)

In the FY 2024-25, the IIOs had booked premium of USD 204.55 Mn as against of USD 149 Mn in FY 2023-24. The Financial year wise business underwritten by the IIOs for previous 5 years is as under:

Figure 14 : Business underwritten by IIOs (USD Mn)

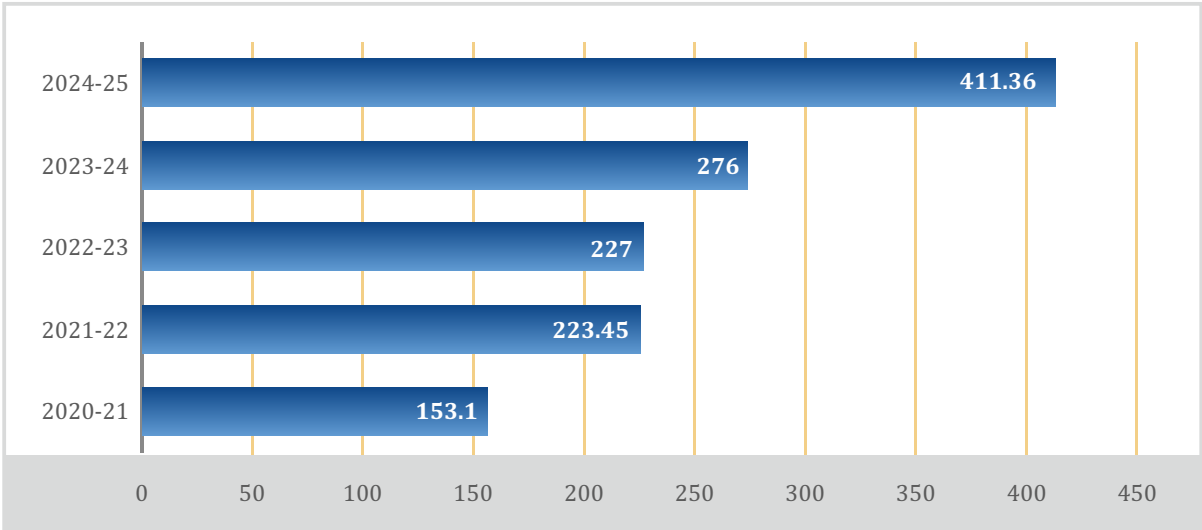


Note: Data for FY 2024-25 is Provisional

IFSC Insurance Intermediary Office (IIIO)

In the FY 2024-25, the IIIOs had transacted (re)insurance premium of USD 411.36 Mn as against of USD 276 Mn in FY 2023-24. The Financial year wise transactions of IIIOs for previous 5 years is as under:

Figure 15 : Business transacted by IIIOs (USD Mn)



Note: Data for FY 2024-25 is Provisional

Supervision

Offsite Supervision

To ensure the orderly growth of (re)insurance activities, IFSCA has laid down the framework for offsite supervision of IIOs/ IIIOs by specifying reporting norms for them. The Business Data and Compliance related Certificate are required to be submitted as per periodicity specified by the IFSCA. The submission made by IIOs/ IIIOs are examined in terms of compliance with extant regulatory framework.

Onsite Supervision

Apart from Offsite Supervision, IFSCA has also conducted On-site Supervision of the IIOs/ IIIOs. IFSCA carried out onsite supervision of 1 IIOs and 2 IIIOs during FY 2024-25.

Advocacy and Outreach

ILS Asia 2024 - Cat Bond & ILS conference in Singapore

Recognizing the potential of the niche segment of Insurance Linked Securities (ILS) and Natural Catastrophes (Nat Cat) risks, and the under-developed nature of regulatory framework in IFSC jurisdiction on the matter, a two-member delegation from IFSCA attended the 6th ILS Asia 2024 Conference held in Singapore.

For 2024, the theme for the conference was "*Renewing growth opportunities*", in the light of robust performance of the CAT Bonds and ILS asset class over the years. The conference gave opportunity to understand regulatory framework & current practices prevalent in the domain of ILS in different jurisdictions and to understand the segment of ILS from the perspective of ceding insurers or reinsurers, investors, asset managers, service providers, fund managers, risk modellers, law firms, pension investors, investment bankers etc.

As Singapore is one of the biggest Asian re-insurance markets and Asian headquarter for various re-insurers, various Cross Border Reinsurers (CBRs) who book re-insurance business from DTA India are situated in Singapore. Thus, on the background of IRDAI's recent circular on collateral, the delegation during its visit to Singapore also had one-to-one meetings with certain CBRs to discuss opportunities for them in the GIFT-IFSC.

7th Asian Captive Conference, 2024

Mr. Praveen Trivedi, Executive Director, IFSCA, participated in a panel discussion titled *"A Captive Perspective: Insite from Leading Asian Domiciles."* at 7th Asian Captive Conference, 2024, at Kuala Lumpur, Malaysia. The conference was organised by Labuan International Business and Financial Centre, Malaysia (Labuan IBFC) and Labuan International Insurance Association (LIIA).

In his remarks during the panel discussions, while acknowledging development of captive insurance business in peer jurisdictions like, Singapore, Labuan, Malaysia, Hong Kong etc., Mr. Trivedi informed that the proposal of enabling 'captive insurance' in India's GIFT IFSC is under active consideration of the Government of India.

Detailed deliberations were held during the conference regarding growing importance of captives in the insurance sector. While recognising the growth of captive insurance in USA and European markets, it was emphasised that Asian markets too have big potential of growing captive insurance.

The speakers also discussed various regulatory frameworks on supervision of Captive Insurer and its success stories in various Asian jurisdictions, increased usage of captives to access the reinsurance market etc. The participants were unanimous that captives are likely to become further embedded into corporate risk strategies, regardless of market conditions and all regulators need to have more collaborations, cooperation and information sharing to capitalize the full potential of captive insurance for the overall development of insurance ecosystem.

Meeting with Labuan Financial Services Authority (LFSA)

A delegation led by Mr. Praveen Trivedi, Executive Director, IFSCA and Mr. Bhaskar Khadakbhavi, General Manager, IFSCA had meeting with Mr. Mohd Rizlan Mokhtar, Director, Registration & Authorisation of Labuan Financial Services Authority (Labuan FSA) and his team members, at their office in Kuala Lumpur, Malaysia.

These discussions were on the backdrop of recent MoU signed between IFSCA and Labuan FSA, to facilitate the cooperation and information sharing regarding laws, rules, and regulations governing financial products, financial services, and financial institutions within the respective jurisdictions.

The officials of IFSCA and Labuan FSA exchanged knowledge and best practices in the development, regulation, and supervision of respective financial markets. By exchanging insights and strategies, these regulators aim to enhance the stability, transparency, and efficiency of financial markets in both the jurisdictions ultimately benefiting consumers

20th Singapore International Reinsurance Conference

The 20th Singapore International Reinsurance Conference (SIRC) 2024, held from November 04 – 07, 2024, saw over 3,300 participants, with nearly 2,000 joining in from overseas. The event was attended by stakeholders from insurance industry like insurance/ reinsurance companies, intermediaries, bankers, insure tech companies, CAT modelling companies, cyber expert, credit rating agencies, insurance/reinsurance consultants and solution provide, exchanging platform etc.

During the conference, IFSCA team led by the Executive Director (Insurance) had various meetings to discuss the GIFT IFSC Insurance proposition with global reinsurers / intermediaries and various stakeholders. During these interactions, the team highlighted key regulatory enablers, business incentives, and the ease of doing business offered by IFSCA to attract international players.

IFSCA Delegation visit to the USA

IFSCA Delegation led by Chairperson, IFSCA, with the various stakeholders during the visit to the USA (New York and San Francisco) from October 21 to 25, 2024, during the course of various conferences, meetings and roundtable interactions, met with various industry players including Berkshire Hathaway Insurance Company, Starr Insurance Holdings Inc, Berkley Insurance Company etc. During these interactions, the team highlighted key regulatory enablers, business incentives, and the ease of doing business offered by IFSCA to attract international players.

IAIS Annual Conference, Cape Town

The IAIS Annual Conference took place on December 5-6, 2024, in Cape Town, South Africa. The conference brought together over 500 participants from more than 105 jurisdictions and speakers, engaging panel discussions and interactive roundtables to explore pivotal topics around the theme *"licence to operate: the role of insurance to strengthen societal resilience"*.

IFSCA-IRDAI GIFT IFSC Global Reinsurance Summit

During a review meeting on status and progress of GIFT IFSC, which was held on August 19, 2023, Hon'ble Union Minister of Finance and Corporate Affairs had suggested IFSCA and IRDAI to jointly hold an event on the topic of Reinsurance with an aim to interact with the global reinsurers and develop GIFT IFSC as the Global Hub for Reinsurance. As a result, IFSCA, IRDAI and GIFT City with the support of Department of Financial Services, Ministry of Finance organised the first "IFSCA-IRDAI GIFT-IFSC Global Reinsurance Summit, 2023", on November 30, 2023, in, Mumbai.



Image 11: IFSCA Delegation led by Chairperson, at IFSCA-IRDAI GIFT IFSC Global Reinsurance Summit

This year, the second edition of the summit, IFSCA-IRDAI GIFT IFSC Global Reinsurance Summit was held on January 20, 2025, in Mumbai. This one-day summit was jointly organised by IFSCA, IRDAI, and GIFT City, to interact with Global (re)insurers. The Summit was attended by business leaders from the insurance and reinsurance sector, consultants, brokers, lawyers, academic institutions, Associations, and other relevant stakeholders.

The objective of the Summit was *inter-alia* to bring all the stakeholders on a common platform and share with them the opportunities available in the GIFT IFSC and to find ways to make it a reinsurance hub. The Summit was also intended to create awareness of the principle-based regulatory system adopted by the regulator and to facilitate and handhold setting up of (Re)insurance businesses in the GIFT IFSC.

Global Integration: IFSCA Becomes a Member of IOPS

In a major step towards aligning with global best practices, IFSCA became a member of the International Organisation of Pension Supervisors (IOPS) during the year. This membership enhances IFSCA's ability to engage with international pension regulators, facilitates the adoption of global supervisory standards, and promotes cross-border collaboration to support innovation and investor protection in the pension sector.

Global In-house Centres

Over the past two decades, India has emerged as a prominent global destination for Global In-House Centres (GICs), driven by its robust talent pool, cost-effective operations, and growing technological capabilities. GICs are offshore units established by multinational corporations to perform a range of in-house functions, including operations, technology, finance, risk management, and compliance. Initially set up to handle back-office and support services, these centres have since transformed into strategic hubs of innovation and value creation.

Today, many GICs deliver high-end services in specialized areas such as data analytics, risk modelling, regulatory reporting, cybersecurity, and fraud detection, thereby playing a critical role in the global operations of financial institutions and other corporates.

Recognizing the potential of GICs in strengthening the international financial ecosystem, the Government of India, under the IFSCA Act, 2019, notified Global In-House Centres as a financial service within the IFSC. Building on this, IFSCA introduced the Global In-House Centres Regulations, 2020, enabling entities from financial services groups to set up GICs in GIFT IFSC to provide support services relating to financial products and services.

The regulations have created a favourable regulatory and operational environment, leading to the establishment of several GICs within GIFT IFSC. These centres are contributing significantly to the overall growth of the IFSC ecosystem by enhancing service delivery capabilities, fostering innovation, and generating skilled employment opportunities.

Growth of Global In-House Centres in GIFT IFSC

As a unified regulator, IFSCA has enabled establishment of GICs of Financial Sector through IFSCA's regulatory regime and has further streamlined the process for obtaining approvals and operational licenses, reducing regulatory friction and enhancing ease of doing business.

GICs in GIFT IFSC benefit from an attractive policy environment, including tax incentives and exemptions from certain provisions of the Foreign Exchange Management Act (FEMA), granting them cost efficiency and ability to operate under regulated environment that enables GICs a differentiated business model.

These GICs serve as strategic hubs for delivering high-value functions such as compliance, analytics, technology support, and risk management for their global operations.

Notable GIC in GIFT IFSC include that of a multinational financial institution that now employs over 2,400 professionals and is one of the single largest employers in GIFT IFSC.

Sustainable Finance

The vision of the Hon'ble Prime Minister of India, Shri Narendra Modi is to make GIFT IFSC, the global hub for sustainable finance. IFSCA, as a unified regulator for GIFT IFSC, is working with the objective to achieve this vision. IFSCA has taken significant steps in accelerating global sustainable capital flows by creating a conducive regulatory environment, inspired by international best practices but focused especially on the needs of developing countries such as India. IFSCA has undertaken focused initiatives across three major sources of funding – Debt Securities, Loans, and Funds.

IFSCA's Sustainable Finance Initiatives



ESG Bond Listings

Facilitates the listing of ESG-labelled bonds



Sustainable Lending

Encourages banks to provide sustainable loans



ESG Funds

Promotes ESG funds and sustainable investments

IFSCA recognizes the pivotal role of ESG labelled debt securities (Green Bonds, Social Bonds, Sustainability Bonds, Sustainability-linked Bonds) in financing sustainable development and transition to a low-carbon economy. In line with this, a regulatory framework for Green, Social, Sustainable and Sustainability-linked Bonds was initially brought in by IFSCA as part of IFSCA (Issuance & Listing of Securities) Regulations, 2021 and subsequently subsumed in the IFSCA (Listing) Regulations, 2025. The listing of around USD 15.43 Bn ESG-labelled debt securities, out of USD 65.10 Bn total debt listings, on IFSC exchanges, as of March 2025, showcases that GIFT IFSC is emerging as a preferred platform for Indian corporates to raise sustainable capital.

Banking Channel is critical for the economy to transition towards a low-carbon and climate resilient future. IFSCA has come out with "Guidance framework on Sustainable and Sustainability

linked lending by financial institutions” in April 2022. The framework mandates the IFSC Banking Units (IBUs) to lend 5% of their incremental lending towards sustainable loans. The Banking units in GIFT IFSC disbursed around USD 3.39 Bn green/ sustainable loans in F.Y. 2024-25. With this cumulative sustainable lending has touched USD 4.95 Bn.

With the intent to promote ESG funds and drive capital flows towards green and sustainable projects in India, IFSCA has issued a circular on January 18, 2023, requiring ESG schemes to make certain initial and periodic disclosures. Further, in order to encourage FMEs to incorporate sustainability-related risks and opportunities in their investment decision making, IFSCA has mandated the large FMEs (AUM above USD 3 billion) to incorporate additional sustainability reporting requirements based on global standards, resulting in setting up of 3 ESG funds in IFSC.

Policy/ Regulatory Development

During the FY 2024-25, IFSCA has taken various regulatory and policy initiatives to mobilise finance towards green and sustainable projects.

Trading and Settlement of Sovereign Green Bonds (SGrBs) in IFSC

The Government of India has been issuing Sovereign Green Bonds (SGrBs) to mobilize resources for green infrastructure in India. Considering the substantial increase in international investors' dedication to net-zero goals, SGrBs present a promising avenue to attract significant foreign climate capital into India. In order to increase the foreign participants in the India's green journey, RBI and IFSCA have operationalised a scheme for trading and settlement of SGrBs at IFSC. RBI on August 29, 2024, has introduced a scheme for “Trading and Settlement of Sovereign Green Bonds in the International Financial Services Centre in India”. Subsequently, IFSCA issued a circular on September 24, 2024, putting in place an operating guideline for the trading and settlement of SGrBs in IFSC.

BOX 3: Principles to mitigate the risk of Greenwashing in ESG labelled debt securities in the IFSC

There is growing concern globally amongst stakeholders, including investors, regarding the accuracy and reliability of claims made by issuers about the sustainability benefits of the projects or assets they invest in. With the growing listing of ESG-labelled Debt Securities on the IFSC exchanges, establishing a robust framework to address the issue of greenwashing is imperative.

In order to promote transparency, accountability and adequacy of disclosures to investors, IFSCA, on November 21, 2024, issued a circular. In line with the best-in-class global practices, the circular is principle-based with detailed guidance notes and illustrative examples for better understanding of the principles. The circular outlines five key principles that issuers of ESG-labelled debt securities shall adhere to:

- i. Being True to Label - Avoid misleading labels and terminologies
- ii. Screen the Green - Transparency in methodology for project selection and evaluation
- iii. Walk the talk - Managing and tracking use of proceeds
- iv. Overall Impact - Quantification of negative externalities
- v. Be alert - Monitor and disclose

Transaction/ Processes/ Operations/ Trends

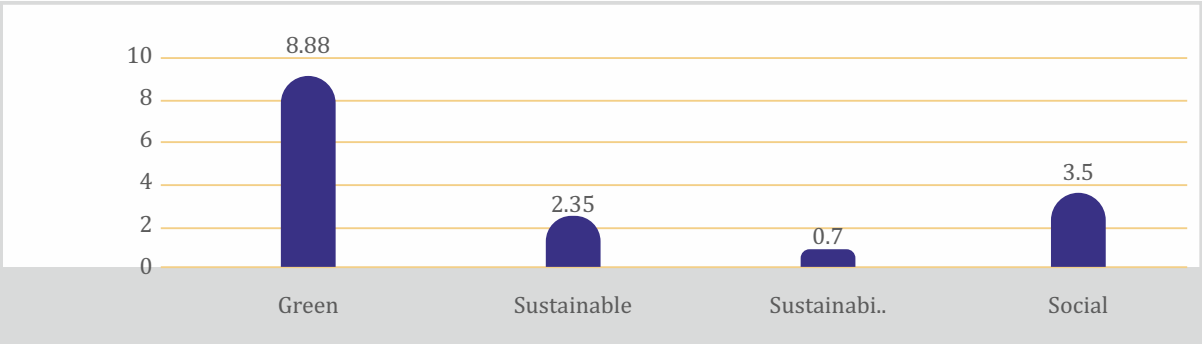
Debt Securities

As on March 31, 2025, USD 15.43 Bn ESG labelled debt securities have been listed on the IFSC exchanges. Total listing of debt securities on IFSC exchanges stands at USD 65.10 Bn as of March 31, 2025.

Table 27: Listing of debt securities at IFSC Exchanges (In USD Bn)

Participants	As on Mar 31, 2024	As on Mar 31, 2025
Cumulative debt listings	56.5	65.10
<i>Of which Cumulative ESG labelled debt listing</i>	<i>12.3</i>	<i>15.43</i>

Figure 16 : ESG Debt securities as of March 31, 2025 (in USD Bn)



Sustainable Financing by IBUs

Table 28 : Overall Sustainable Financing by IBUs

Classification	FY 2024-25 (USD Mn)
Green	1076.72
Social	1756.04
Sustainable	348.12
Sustainability Linked	208.57
Others	0.00
Total	3389.45

Table 29 : Sector-wise classification of Sustainable Financing by IBUs

Sector (List is Indicative)	FY 2024-25	
	Amount (USD Mn)	Total No. of Transactions
Renewable Energy	1052.91	701
Energy Efficiency	130.74	6
Pollution Prevention and Control	47.46	2
Sustainable Water and Wastewater Management	0.00	0
Clean Transportation	6.04	4
Climate Change Adoption	0.00	0
Green Buildings	4.50	2
Affordable Basic Infrastructure	107.04	15
Affordable Housing	363.56	10
Food Security and Sustainable Food Systems	0.63	6
Social Project as per Framework	299.44	5
Sustainable Project as per Framework	72.60	22
Health Care	86.36	129
Social Education	50.00	1
Social Loan	178.08	9
MSME	217.55	2316
Others	772.54	2970
Total	3389.45	6198

Working Group/ Committee

Expert Committee Report on Transition Finance

The Expert Committee on Transition Finance was constituted by IFSCA on December 21, 2023, to provide a roadmap for IFSCA to develop a climate finance ecosystem and instruments at GIFT IFSC with a special focus on Transition Finance as well as to provide recommendations on establishing the GIFT IFSC as a global hub for climate financing. The Committee is chaired by Shri. Dhruba Purkayastha (Director, Growth and Institutional Advancement, Council on Energy, Environment and Water) and includes experts across policy think tanks, standard setters, consultants, industry, and global financial institutions. The Expert Committee has submitted its report on Transition Finance to the Chairperson, IFSCA, Shri K. Rajaraman on July 1, 2024.

The Report on Transition Finance captures the recommendations by the Expert Committee under three pillars:

- I. Scope and definition of Transition Finance
- ii. Policy and Regulation
- iii. Financial Mechanisms and Instruments



Image 12: Members of the expert committee during the submission of the report

It emphasizes the role of transition finance in driving investments towards hard-to-abate sectors such as steel, cement, shipping, fertilisers etc. which are crucial for economic growth of India and other developing nations. The report offers strategic recommendations to IFSCA and policy makers by exploring global best practices and regulatory landscapes, to enhance the role of GIFT IFSC as a gateway for attracting international climate capital flows in order to achieve India's ambitious goal of achieving net-zero by 2070.

Advocacy and Outreach

G20 India Private Sector Roundtable

IFSCA in partnership with UNDP FC4S, hosted the G20 India Private Sector Roundtable on May 31, 2024, in GIFT City, Gandhinagar. The objective is to garner substantial representation from India's private sector in broader G20 discussions, thereby influencing global financial sustainability agendas. This roundtable will shift the conversation from global to national level, bringing together the private sector and government, including policy makers and financial regulators, for a robust discussion and meaningful exchange on G20 priorities in sustainable finance.

During the address about the financial centres, various initiatives of IFSCA in the field of sustainable finance and its progress has been highlighted to the distinguished participants from industry, financial sector, consultancies, thinktanks and other leading institutions in the field of sustainability. During the event, three round tables discussions took place on different areas of priorities.

RE-INVEST, 2024

Shri Pradeep Ramakrishnan, Executive Director, IFSCA, participated in a panel discussion titled "Accelerating Capital for India's Energy Transition: Spotlight on Enabling Instruments" at RE-invest 2024, held between September 16 to 18, 2024, in Gandhinagar, Gujarat. RE-INVEST is a Government of India flagship event to showcase India's Renewable Energy potential to the world & to invite investment in the sector by initiating multilateral dialogue. It is global renewable energy investors meet, and expo organized by the Ministry of New and Renewable Energy (MNRE), Government of India. This year's edition marked India attaining 200 GW of non-fossil fuel capacity.

In his remarks during the panel discussion, Shri Pradeep Ramakrishnan emphasized the pivotal role of the IFSCA's regulatory framework in fostering a robust green bond market within the GIFT IFSC. He further highlighted the significance of various sustainable finance initiatives undertaken by IFSCA such as ESG funds and sustainable lending by IBUs which are in line with the Government's mission of making the GIFT IFSC a climate finance hub.

Green, Social, Sustainable, Sustainability-linked and Transition Bonds (GSS+ Bonds) Training Workshop

NSE, in collaboration with the Climate Bonds Initiatives (CBI) and the International Finance Corporation (IFC), under the aegis of IFSCA, successfully organized a two-day training program on GSS+ bonds on September 24, 2024, and September 25, 2024, at GIFT City. The workshop aimed to foster knowledge and awareness about the GSS+ bond framework, its role in achieving India's sustainable development goals, and the opportunities it presents for the financial sector.



Image 13: Chairperson, IFSCA Shri K. Rajaraman with other key dignitaries at GSS+ Bonds Training Workshop

During the commencement of the training workshop, Shri K. Rajaraman, Chairperson IFSCA, in his keynote address remarked the significance of embracing innovative financial instruments and leveraging GIFT IFSC ecosystem to advance India's sustainable development agenda. On the workshop, he remarked, *"Capacity building empowers all stakeholders with the knowledge and tools necessary to develop and implement innovative solutions. This workshop is a significant step towards enhancing our collective ability to channel green capital effectively to green businesses. Understanding and capacity to handle new age instruments such as Transition bonds to steer the energy transition in India is direly required. The workshop fulfils that need."*

The comprehensive training workshop was designed to address the issuance of thematic labelled bonds, with particular emphasis on Green, Social, Sustainable, Sustainability-Linked, and Transition Bonds as mechanisms to bridge the sustainable finance gap in India. The event attracted a diverse range of participants from various sectors, including policymakers, thereby promoting a collaborative environment that facilitated knowledge sharing and innovation.

IVCA GreenReturns Summit, 2024

The GreenReturns Summit 2024, was organized by the Indian Venture and Alternate Capital Association (IVCA) on December 2 and 3, 2024, in New Delhi. The Summit aimed to address the pressing need for climate finance and to identify innovative solutions to drive sustainable development. Shri K Rajaraman, Chairperson, IFSCA participated in a Fireside Chat on *"Mobilizing Climate Finance: IFSC as a Global Climate Finance Hub"* at the IVCA GreenReturns Summit 2024. During the discussion, Chairperson highlighted the numerous opportunities that GIFT IFSC offers to global investors. He discussed various initiatives undertaken by IFSCA to support sustainable

finance, including the promotion of ESG funds and sustainable lending by IBUs. He also emphasized the critical role of IFSCA's regulatory framework in developing a robust green bond market within the GIFT IFSC.

Shri Pradeep Ramakrishnan, Executive Director, IFSCA also participated in a panel discussion on *"Strategies for Increasing Climate Adaptation Investments"* at the summit. In his remarks during the panel discussion, he emphasized the critical need for increased investments in climate adaptation, particularly in developing countries facing significant financing gaps. He also shared valuable insights on policy frameworks that can stimulate such investments. He further highlighted the robust ESG ecosystem at GIFT IFSC, including the attractive incentives available for ESG funds.

The Asia Climate Summit (ACS 2024)

Asia Climate Summit (ACS), 2024 was organised by International Emissions Trading Association (IETA), in collaboration with the Federation of Indian Chambers of Commerce & Industry (FICCI) and International Carbon Action Partnership (ICAP) between October 22, 2024, and October 24, 2024, in Delhi.

Shri Pradeep Ramakrishnan, ED, IFSCA participated as lead discussant in the session on *'Investor - Corporate dialog on climate risk mitigation and management; State of Sector- Climate Action by India Inc 2024'* organised by cKinetics on the sidelines of the ACS 2024.

IOSCO Growth and Emerging Markets Committee - Network for Adoption or Other Use of ISSB Standards

IFSCA on December 18, 2024, participated in the launch of a dedicated network to support the adoption and other use of IFRS Sustainability Disclosure Standards (ISSB Standards), held in Ankara, Turkey, with the support of the International Sustainability Standards Board (ISSB). The Network started with a group of 32 IOSCO members of its Growth and Emerging Markets Committee (GEMC), representing 31 jurisdictions. The network aimed at supporting the adoption and use of the IFRS Foundation's sustainability reporting standards in emerging markets.



Image 14: GEMC members of the Network for adoption and other use of ISSB standards

Symposium on Sustainable Finance

IFSCA in partnership with India INX and the Institute of Cost Accountants of India (ICMAI) through its Sustainability Standards organised a Symposium on Sustainable Finance on January 24, 2025. The event brought together policymakers, industry leaders, and experts to explore innovative pathways for sustainability within the GIFT IFSC ecosystem. The program featured two-panel discussions and five insightful presentations, covering key topics such as transition finance, blended finance, ESG ratings, climate funds, sustainable lending, and the unique opportunities that GIFT-IFSC presents in sustainable finance.

Policies and Programmes for the Following Year

Framework for Transition Finance

The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping the global temperature rise to below 2 degrees Celsius above pre-industrial levels. In order to achieve this target, the entire economy needs to be decarbonized, with a special focus on hard-to-abate sectors. In order to channelize the capital for the transition of hard-to-abate sectors, an expert committee on Transition finance was set up by IFSCA. IFSCA, has recently, issued a consultation paper on the “Framework for Transition Bonds” seeking public comments.

Policy for Blended Finance instruments

To support capital flows into desirable sectors/ projects which are otherwise not bankable purely on the commercial terms, IFSCA is currently working on the policy for various blended finance instruments under the existing Fund Management Regulations.

Ancillary and BATF Services

International Financial Centres (IFCs) are designated regions that host a dense concentration of financial service providers such as banks, capital market institutions, insurance companies, fund managers, and increasingly, fintech enterprises. These centres function as critical nodes in the global financial system, facilitating cross-border capital flows, investment, and financial innovation. However, the efficacy and resilience of any IFC are not determined solely by the presence of financial institutions. Equally important is the supporting infrastructure of professional services firms, which play an essential role in underpinning the financial ecosystem.

These firms offer specialized expertise in areas such as audit, accountancy, taxation, legal counsel, management consulting, corporate governance, regulatory compliance, and financial advisory services. By ensuring adherence to global standards, mitigating operational and regulatory risks, and improving institutional transparency, professional service providers serve as the backbone of a robust, credible, and efficient financial centre. Their services enable financial institutions to navigate complex regulatory environments, manage risks effectively, structure cross-border deals, and maintain high standards of financial integrity and reporting.

The Global Context

Across the globe, the evolution of financial markets is closely tied to the development of high-quality professional services sectors. Leading IFCs such as New York, London, Hong Kong, and Singapore have witnessed parallel growth in financial institutions and professional service firms. These firms not only support routine financial operations but also drive strategic initiatives such as mergers and acquisitions, cross-border listings, fund structuring, and dispute resolution — services that are essential to the vibrancy and competitiveness of a global financial hub.

India's Professional Talent Advantage

India is uniquely positioned to take advantage of this global dynamic due to its deep and growing pool of skilled professionals in financial and allied domains. With thousands of qualified Chartered Accountants (CAs), Company Secretaries (CSs), Chartered Financial Analysts (CFAs), Lawyers, and Consultants, the country possesses a rich talent base that is well-versed in global financial practices, regulatory frameworks, and cross-border financial operations. This talent pool is further supported by India's strong educational institutions, ongoing professional training, and widespread digital fluency.

Given this context, GIFT IFSC is exceptionally well-positioned to emerge as a global hub for professional services. Professionals based in GIFT IFSC can provide cost-effective, high-quality services not only to entities operating within the IFSC but also to clients in international markets, especially across Asia, the Middle East, and Africa.

Policy Support

Recognizing the strategic importance of professional services in enhancing the financial ecosystem, IFSCA introduced the *“Framework for Enabling Ancillary Services at International Financial Services Centres”* in February 2021 and *“IFSCA Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (BATF) Regulations, 2024”*. This pioneering regulatory initiative was designed to enable the establishment and operation of professional service providers in the IFSC. These framework/ regulations provide a streamlined registration process, operational clarity, and regulatory oversight while allowing for flexibility in service delivery and business models.

Growth and Impact at GIFT IFSC

Since the implementation of this framework, the ancillary services ecosystem at GIFT IFSC has demonstrated healthy and sustained growth. Under Ancillary Services Framework, entities are registered to provide various services in domains including legal, compliance and secretarial services, auditing and tax advisory, and consulting services. These firms play a critical role in supporting the day-to-day and strategic operations of financial institutions, FinTech companies, funds, and corporate entities located in the IFSC.

The growth of professional services firms has also had a multiplier effect - enhancing investor confidence, improving the ease of doing business, and attracting international players to establish operations in GIFT IFSC. As these firms expand their capabilities and begin catering to overseas markets, they reinforce India's brand as a trusted provider of high-end financial and professional services.

Transaction/Processes/Operations/Trends

Under the Ancillary Framework, as on March 31,2025, IFSCA has granted Authorisation to 88⁶⁹ entities, out of which 20 entities were granted authorization during FY 2024-25.

During the FY 2024–25, the Authorized Ancillary Service Providers reported an impressive revenue from business exceeding USD 39.90 million, reflecting robust business growth and operational efficiency.

As of March 31, 2025, Ancillary Service Providers have significantly contributed towards employment generation within the GIFT IFSC ecosystem, having created job opportunities for approximately 610 skilled professionals. This workforce includes CAs, CSs, and other qualified professionals, reinforcing the critical role of ancillary services in supporting the broader financial services architecture of the GIFT-IFSC.

⁶⁹ Including in-principle approvals

Table 30: Activity wise break up of Ancillary Services entities Authorized⁷⁰

S. No.	Core Activity	As on Mar 31, 2024	As on Mar 31, 2025
1	Legal, Compliance and Secretarial	12	16
2	Auditing	21 ⁷¹	13
3	Professional & Management Consulting Services	11	32
4	Administration, Asset Management Support Services and Trusteeship	24	27
	Total	68	88

Table 31: Activity wise break up of BATF Services entities Authorized

S. No.	Core Activity	As on March 31, 2025 ⁷²
1	Accounting Services	2
2	Bookkeeping Services	1
3	Total	3

Advocacy & Outreach

Presentation to the Bangalore Chamber of Industry and Commerce (BCIC) on Opportunities for Professionals in GIFT-IFSC



Image 15: Presentation to the Bangalore Chamber of Industry and Commerce (BCIC) on Opportunities for Professionals in GIFT-IFSC

A presentation to the BCIC delegation highlighted the growing professional services ecosystem at GIFT IFSC and the enabling regulatory framework introduced by IFSCA. It emphasized career and entrepreneurial opportunities for professionals such as CAs, CSs, MBAs, and consultants. The session showcased GIFT IFSC's conducive business environment and its potential as a hub for high-end professional services.

⁷⁰ Including in-principle approvals
⁷¹ Includes authorizations for Bookkeeping, Accounting, taxation Services which are now moved to IFSCA (BATF) Regulations, 2024
⁷² Fresh application (other than migration of existing Ancillary Services Entities). Apart from this, 16 entities have been migrated from Ancillary Services to BATF.

Standing Committee on Development & Regulation of Professional Services (Ancillary & BATF)

The Committee is tasked with developing a strategic vision for expanding the professional services ecosystem within IFSCs including identifying key domestic and international players capable of establishing large-scale professional services operations in GIFT-IFSC. Further the committee will suggest policy measures aimed at attracting investments, creating employment opportunities, and strengthening the regulatory framework to promote efficiency, transparency, and global competitiveness.

Policies and Programmes for the Following Year

TechFin and Ancillary Services Regulations, 2025

With the aim of establishing an effective and unified regulatory architecture within GIFT-IFSC for professional service providers, Ancillary Services, the TechFin component of the IFSCA FinTech Entity Framework, and outsourced activities permitted by sectoral financial regulators, are being consolidated into a single regulation, titled the 'Draft IFSCA (TechFin and Ancillary Services) Regulations, 2025'. This regulation seeks to provide a comprehensive regulatory framework for TechFins and Ancillary Service Providers, enabling them for making arrangements for carrying on any of the financial services specified under clause (e) of subsection (1) of Section 3 of the IFSCA Act, 2019.

Initiating MoU negotiations for a Professional Outreach program with esteemed professional institutes, law schools, and firms in India

Foreign Universities & Institutions

Recognizing the need to augment talent availability in GIFT IFSC as well as in other parts of the country, the Hon'ble Finance Minister in the Union Budget 2022-23 announced that *“World Class Foreign University and Institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics, free from domestic regulations, except those by the IFSCA to facilitate availability of high-end human resources for financial services and technology”*. The Union Budget announcement paved the way for foreign universities to tap the India opportunity through GIFT IFSC.

The overall objective of this policy announcement was to develop GIFT IFSC as an international educational center catering to both Indian and foreign students in specified disciplines, encourage research in areas of Banking, Insurance, Capital Market, Funds Management, FinTech, Longevity Finance, Sustainable Finance, Quantum Computing, etc. and nurture high-end human resources in finance, technology, and related fields.

Thereafter, IFSCA notified the enabling regulations i.e. IFSCA (*Setting up and Operation of International Branch Campuses and Offshore Education Centres*) Regulations, 2022, which permitted foreign universities to establish and operate International Branch Campuses (IBCs) and Foreign Education Institutions (other than a foreign university) to establish and operate Offshore Education Centres (OECs) in IFSC and offer courses in the permissible subject areas of Financial Management, FinTech and STEM.

To ensure parity with home campus, the Regulations specify that *'Any course or programme conducted by a registered entity in the GIFT IFSC shall be identical in all respects with the course or programme conducted by the Parent Entity in its home jurisdiction and identical degree, diploma or certificate shall be conferred upon the students of the IBC or OEC directly by the Parent Entity in the same manner as it confers to its students for the same course or programme in its home jurisdiction'*.

To further facilitate the setting up of IBCs and OECs in IFSC, the Ministry of Finance invoked powers under Sec 31 of IFSCA Act 2019 and disappplied University Grants Commission Act, 1956 and the All-India Council for Technical Education Act, 1987 to the courses offered by foreign universities & institutions in GIFT IFSC.

Policy/ Regulatory Developments

During FY 2023-2024, IFSCA enabled the Academic Infrastructure Service Provider (AISP) model for foreign universities and institutions setting up IBCs and OECs in IFSC. This regulatory enablement permitted IBCs and/or OECs to avail infrastructure services from an AISP, which shall be registered and governed as per provisions of SEZ Act 2005. The AISP model is expected to make GIFT IFSC an attractive and preferred destination for foreign universities and institutions to set up their overseas campuses.

Box 4: Key features of the AISP Circular

- (i) An AISP is a service provider which provides services to an IBC/OEC, which should include providing built up campus facility, research and development facility, library, laboratories, incubation centres, teaching classroom, and such other related services.
- (ii) An AISP can provide the following additional services to an IBC/OEC in IFSC:
 - a. Campus Facility Management services
 - b. Student onboarding, Admissions and Student Welfare services
 - c. Services for recruitment and management of non-academic staff
 - d. Branding and Marketing services
 - e. Payroll services, etc.
- (iii) Eligibility Conditions for an AISP:
 - a. The AISP is incorporated as a separate company in GIFT SEZ.
 - b. The AISP shall have a minimum net worth of USD 1 Mn or equivalent for providing its services.
 - c. The AISP or any of its group company shall have at least three years of prior experience of providing similar services to recognized universities/ educational institutions in India or overseas.
- (iv) Obligations of an IBC/OEC availing services from an AISP:
 - a. The IBC/ OEC shall enter into a formal written agreement with AISP.
 - b. The agreement shall, *inter-alia*, contain provisions relating to indemnity, intellectual property protection, conflict of interest, financial guarantee, confidentiality and privacy, force majeure, insurance, governing law & jurisdiction, dispute resolution.
 - c. The IBC/ OEC shall provide an undertaking to IFSCA that the academic functions of the IBCs and/or OECs, are not outsourced in any manner whatsoever, to the AISP, directly or indirectly.

Transaction/Processes/Operations/Trends

During FY 2024-25, IFSCA granted in-principle approval to Queen's University, Belfast (QUB) for their IBC in GIFT IFSC under IFSCA (Setting up and operation of International Branch Campus and Offshore Education Centre) Regulation, 2022 which is an Independent Body Incorporated by Royal Charter of UK in 1908. QUB is ranked 206 in the QS World University Rankings (2025) and is expected to begin its academic operations in 2025-26.

Under these Regulations, two Australian Universities namely, Deakin University and University of Wollongong have already established their IBCs in GIFT IFSC and have commenced delivery of degree courses to students.

Deakin University had a QS World University Ranking of 233 in 2024 and became the first foreign university to be approved under this policy initiative of Government of India.



Image 16 : Deakin University in GIFT IFSC

Advocacy and Outreach

During FY 2024-25, IFSCA held several roundtable interactions and bilateral meetings with leading universities from around the world listed below:

Visit by delegation of University of California

Chancellor of UC San Diego, USA along with senior officials visited GIFT IFSC and IFSCA to explore and understand International Branch Campus Opportunities in GIFT IFSC. IFSCA officials held extensive discussions with them regarding the advantages of setting up IBC in GIFT IFSC.

University of Wollongong India's Fintech Event

Dr. Dipesh Shah, Executive Director, IFSCA gave a talk on the topic of "*GIFT-IFSCA: the Past, the Present, and the Future*" at an event organized by University of Wollongong in GIFT IFSC on August 30, 2024.

Roundtable with Australian Universities organized by Austrade

The roundtable was attended by leading Australian Universities from New South Wales and neighbouring provinces. During the roundtable, Chairperson, IFSCA highlighted various progressive policy reforms to develop GIFT IFSC as an "*International Hub for Higher Education*".

IFCCI Higher Education Committee Webinar on Evolution of NEP and FHEI norm: A French Perspective

IFSCA officials participated in a Webinar organized by Higher Education Committee of the Indo-French Chamber of Commerce & Industry (IFCCI) themed on the "*Evolution of NEP & FHEI norms: A French Perspective*". During the webinar, IFSCA officials presented the regulatory and development opportunities in GIFT IFSC, particularly in respect of International Branch Campus opportunities.

IFSCA Talent Vista 2024

IFSCA, supported by Quality Control of India (QCI) and University of Wollongong, organized 1st edition of its “IFSCA Talent Vista 2024: Reimagining Future of Finance at GIFT IFSC” on November 15, 2024, at GIFT City.

This was an Academia-Industry Collaboration platform for talent development in GIFT IFSC. The purpose of the event was to enable effective collaboration of academia and corporates for getting the cutting-edge talent ready to cater to industry demand in GIFT IFSC with a vision to transform the city into a “New Age Global Financial Centre”. The event also witnessed three enriching panel discussions on various themes associated with talent management in GIFT IFSC

The event was graced by the Chief Guest, Shri Harsh Sanghavi, Hon'ble Minister of State – Home and Industries, Government of Gujarat, and included Key addresses by renowned speakers from industry and academia.



Image 17: Shri K. Rajaraman, Chairperson, IFSCA with Shri Harsh Sanghavi, Hon'ble Minister of State - Home and Industry, and other dignitaries at IFSCA Talent Vista Summit 2024

Information Technology and Cyber Security

The spheres of technology and finance are becoming increasingly intertwined in today's world, as latest technological innovations provide improved security, speed, convenience, coverage, and ease of doing business in the field of finance. The use of Technology has also become indispensable for a regulator, with its increasing impact on regulation, supervision, enforcement, and governance, in the international financial regulatory ecosystem. The IT Division of the Department of Technology at IFSCA has been using technology as an enabler to increase the transparency and efficiency of operations within IFSCA, and in GIFT-IFSC notably in improving the ease of doing business for Res.

Policy/ Regulatory Developments

IT Division of IFSCA has undertaken several initiatives in the Financial Year (FY) 2024-25:

IFSCA Single Window IT (SWIT) System



Image 18: Hon'ble Prime Minister launching the SWIT System on September 16, 2024

The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced the implementation of a Single Window IT-enabled System for enabling prospective entities to set up in GIFT-IFSC and improve the Ease of Doing Business (EoDB).

Towards realising this vision, IFSCA began development of the SWIT System, by organising requirement gathering sessions with the several business verticals within IFSCA. A Common Application Form (CAF) was developed in the SWIT System by merging several existing forms. This CAF along with the vertical-specific Annexure forms were developed to harmonize and simplify the process of Registration in IFSCs.

The CAF also collects details required for an entity's SEZ Approval, which is designed to be sent to the SEZ Online System automatically by means of an API integration. This API integration was completed by jointly working with NSDL. As the SWIT System also contains an NoC processing module, requirements were gathered by working along with the other financial sector regulators RBI, SEBI and IRDAI. The process of applying for GSTIN for an IFSC entity was brought into the SWIT system in coordination with GSTN.

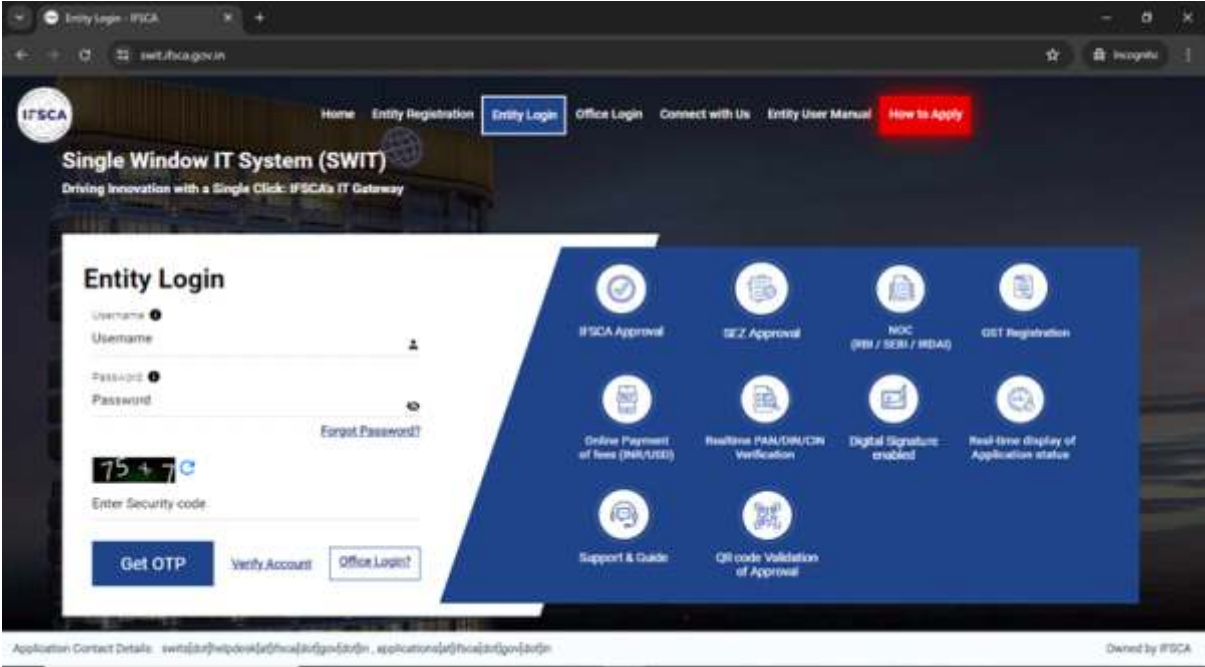
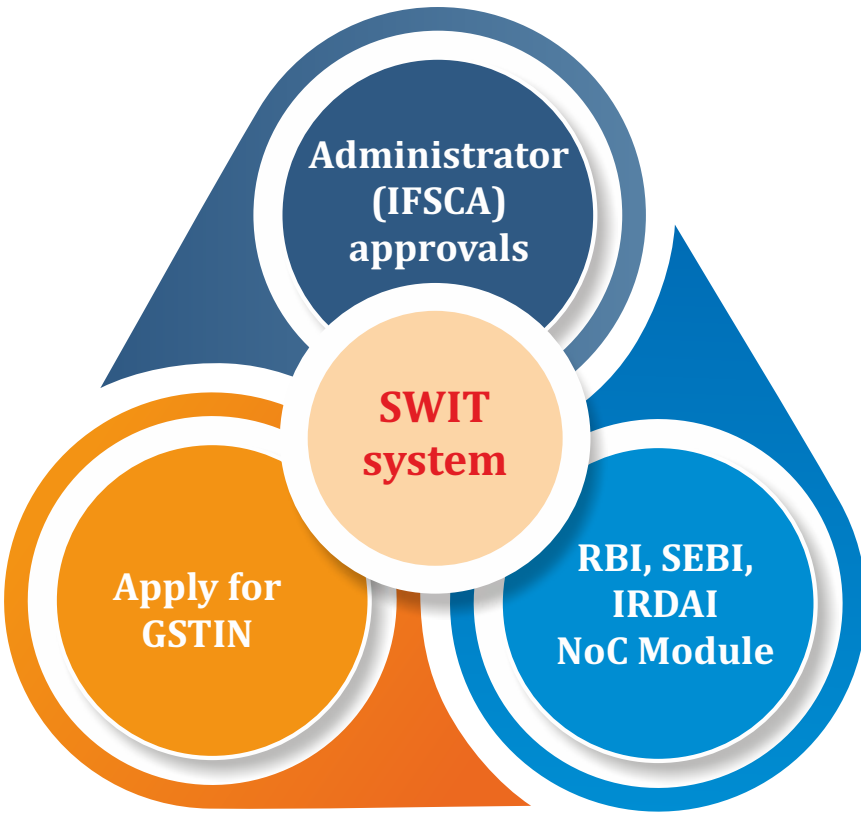


Image 19: Entity Login interface of the SWIT System

Revamp of IFSCA Website and Legal Database

In line with the IFSCA (Maintenance of Website) Regulations, 2022, IFSCA has initiated the development of a best-in-class website, comparable to those of other international financial sector regulators, while conforming to the standards and guidelines of Government of India and other relevant agencies.

The IFSCA website acts as an important interface with the public as well as the regulated entities and other ancillaries to disseminate information through its regulations, circulars, notifications, etc. The revamped IFSCA website will host the IFSCA SWIT System and will cater to the needs of REs, prospective businesses and foreign financial regulators, ultimately improving their Ease of Doing Business (EoDB) within IFSC. The revamped website will also contain a directory of REs that would be linked to the SWIT System for real-time updating of data.

A Legal Database Module is also being developed to be housed on the revamped website, enabling easy access and searchability of relevant regulations, circulars and legal information.

IFSCA Supervisory Technology (SupTech) System

IFSCA is in the process of appointing a suitable SupTech Solution Provider to implement the system to facilitate the supervisory functioning of the Authority. The envisioned system aims to establish a comprehensive framework for administration, compliance, supervision, and enforcement amongst its regulated entities. The primary focus is to incorporate advanced technology and adhere to global best practices to achieve the Authority's objectives effectively.

Enterprise Resource Planning (ERP) System

IFSCA plans to deploy a new ERP system aimed at easing the general administration through digitizing employees' attendance management, leave management, and pay slip generation. This system will be used for processing the claims of all the employees in a paperless manner. Further, the objective is to scale the system to include all other general administrative functions within its ambit.

eOffice-IFSCA application

eOffice-IFSCA application, developed by National Informatics Centre (NIC), is IFSCA's electronic file management system, and supports governance. e-file, an integral part of e-office suite is a system designed for the Government departments, PSUs, and statutory bodies to enable a paperless office.

The eOffice application helps in easy movement and tracking of files as well as receipts. The application also includes file management system, knowledge management system, Management Information Systems (MIS), employee data management and master data management which helps in digitizing IFSCA's internal processes.

IT Infrastructure (Hardware and Software)

IFSCA provides workstations equipped with computers, printers, telephones, and high-speed Local Area Network (LAN) connectivity to its employees.

Digital Signature Certificates are provided for all IFSCA officers to authenticate their digital identity and enhance the security. IFSCA has operationalized an internal mail server for ease of document sharing within the organization, while ensuring data security. IFSCA Headquarters has high-speed Wi-Fi connectivity, and the meeting rooms are equipped with world-class video conferencing devices for seamless communication.

Social Media Management

IFSCA has taken proactive steps to improve the social media presence. The efforts taken in timely posting and appropriate tagging has led to an increase in social media footprint of IFSCA and has improved the coverage and timeliness of information dissemination from IFSCA. Together, the website and social media are being leveraged to secure India's place in the digital arena in the company of other major international financial sector regulators of the world.

Cyber Security

Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs

The Guidelines on Cyber Security and Cyber Resilience for REs in IFSCs were prescribed in order to ensure the operations of REs and the stability of financial ecosystem in GIFT IFSC at large are not compromised from cyber threats. A consultation paper was published in September 2024 to seek public comments on draft guidelines and extensive consultation, including in-person meetings with REs, was carried out.

The final Guidelines were issued on May 5, 2025. Taking into consideration the diverse business functions of REs in IFSC, ranging from institutions like banks to ancillary service providers, the Guidelines were made principle based, and REs were prescribed to ensure implementation of these Guidelines in accordance with the principle of proportionality, taking into consideration their exposure to cyber threats. The Guidelines have been categorized under five key areas viz. Governance, Cyber security and Cyber resilience framework, Third party risk management, Communication & awareness, and Audit. A provision has also been made for REs meeting certain conditions to be exempted from the requirements of these Guidelines.

Anti Money Laundering (AML) & Counter Financing of Terrorism (CFT)

Effective Anti-Money Laundering and Combating the Financing of Terrorism (AML & CFT) policies and measures are key to the integrity and stability of a financial system. In alignment with the international standards set by FATF and Prevention of Money Laundering Act, 2002 and Rules made thereunder, IFSCA through gazette notification No. IFSCA/2022-23/GN/GL001 dated October 28, 2022, issued IFSCA (AML/ CTF/ KYC) Guidelines, 2022 (Guidelines).

The Guidelines enable Regulated Entities to adopt a risk-based approach in identifying and assessing ML/ TF / PF risks and implement effective controls. The REs are mandated to conduct robust client due diligence, identification of beneficial ownership, monitoring and reporting of suspicious transactions, conduct periodic AML audit, record keeping and apply enhanced measures for high-risk categories.

Simultaneously, IFSCA is taking proactive steps to facilitate seamless and efficient onboarding of clients by REs in GIFT IFSC. These efforts are aimed at enhancing the EoDB while maintaining strong safeguards against financial crimes.

Policy/ Regulatory Development

Registration on FIU-IND FINGate 2.0 portal for compliance with International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022

IFSCA issued this circular on February 26, 2025, requiring the Res to complete their registration on FIU-IND portal prior to commencement of business and in case of an urgency to commence business, the registration shall be completed within 30 days from the date of commencement of business.

The REs shall also ensure that any addition or modification to their Line of Business is updated on the FIU-IND portal within a period of thirty days from the date of commencement of such an additional Line of Business.

Exempting certain entities/activities from the applicability of International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022

This Circular, issued on November 18, 2024, exempt certain entities/ activities from the applicability of the IFSCA (AML/ CTF/ KYC) Guidelines, 2022, subject to the condition that such entities shall conduct and document a Business Risk Assessment. Where such assessment envisages any AML/ CTF risks, the entities shall comply with the Prevention of Money Laundering Act, 2002, and the rules made thereunder, as well as the IFSCA (AML/ CTF/ KYC) Guidelines, 2022. Furthermore, all Financial Institutions are required to transact or receive monetary consideration only through an account maintained with a Banking Unit in IFSC.

Modifications under the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022.

This Circular, issued on November 22, 2024, modifies certain provisions of the IFSCA (AML/ CTF/ KYC) Guidelines 2022 with respect to Requirements/ Obligations under International Agreements Communications from International Agencies (Chapter XI) and Group-wide Programmes (clause 12.2).

Procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967- Change in the details of the Central [Designated] Nodal Officer

This Circular, issued on November 18, 2024, brought to the notice of the Res in IFSC about the Corrigendum dated April 22, 2024, issued by Ministry of Home Affairs, CTCR Division/ CFT Cell. The Corrigendum updates the details of the Central [Designated] Nodal Officer responsible for implementing Section 51A of the Unlawful Activities (Prevention) Act, 1967.

Frequently Asked Questions (FAQs) on International Financial Services Centres Authority (Anti Money Laundering, Counter- Terrorist Financing and Know Your Customer) Guidelines, 2022 released on 11th June 2024

Advocacy and Outreach

First IFSCA Annual Anti-Financial Crime Conference

IFSCA hosted its 1st Annual Anti-Financial Crime Conference on May 21, 2024, at the GIFT City Club in GIFT City, Gandhinagar, Gujarat. The Conference was inaugurated by Shri K. Rajaraman, Chairperson, IFSCA in the august presence of Shri Vivek Aggarwal, Director, Financial Intelligence Unit (FIU)-India, Smt. Bedhobani Chaudhuri, Additional Director, FIU-India and other senior officials/distinguished speakers from regulatory authorities, Self-Regulatory Bodies and capacity building/AML solution/Data organisations and service providers. Shri K Rajaraman, Chairperson, IFSCA and Shri Vivek Aggarwal, Director, FIU IND, addressing at IFSCA Annual Anti-Financial Crime Conference The full report of the Conference can be assessed from IFSCA website.



Image 20: Shri K Rajaraman, Chairperson, IFSCA and Shri Vivek Aggarwal, Director, FIU IND, addressing at IFSCA Annual Anti-Financial Crime Conference

Policies and Programmes for the Following Year

CKYCRR Portal access to IFSC Regulated Entities:

In April 2025, IFSCA was enabled as a Regulator on Central KYC Records Registry (CKYCRR), a centralized database for Know Your Customer (KYC) managed by CERSAI, a subsidiary of the Reserve Bank of India. This enables IFSC Regulated Entities to register on CKYCRR portal and comply with the obligations to upload/update/download the client/ customer KYC records on CKYCRR portal as mandated under Rule 9 (1A) of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

Enabling Non-Face to Face KYC Process for NRI/ Foreign Nationals

Working Group for the “Development of Non-Resident Individual Business and Ease of Registration” has recommended to allow non-face-to-face onboarding of NR clients/ investors. Under the present IFSCA (AML/CTF/ KYC) Guidelines, 2022, V-CIP / Digital KYC process is applicable for Indian Nationals. To enhance the ease of onboarding of NRI/ Foreign Nationals by IFSC Regulated Entities, Working Group's recommendation have been submitted to the competent authority for further consideration and discussion.

SEZ Administration (IFSCA)

To streamline the regulatory framework and enhance ease of doing business for units seeking to establish operations in GIFT IFSC, the Government of India, through a Gazette Notification dated February 2, 2024, issued under Section 31 of the IFSCA Act, 2019, vested the powers of the Development Commissioner, for GIFT IFSC units, under the SEZ Act, 2005 to an officer nominated by IFSCA, designated as the “*Administrator (IFSCA)*”. This strategic move eliminates the need for entities to engage separately with the offices of the IFSCA and the Development Commissioner of GIFT SEZ so that all the approvals - whether under the SEZ Act or the IFSCA Act - can be obtained directly through IFSCA, thereby creating a single-window regulatory interface.

Policy/ Regulatory Development

The following initiatives have been taken to promote Ease of Doing Business by SEZ Division:

Weekly UAC Meetings

Since July 2024, Administrator (IFSCA) has started conducting the Unit Approval Committee (UAC) meetings on a weekly basis, instead of the earlier practice of fortnightly meetings. This move has significantly reduced the wait time for the units to obtain the SEZ Letter of Approval (LOA). Under the Chairmanship of the Administrator (IFSCA), 45 weekly UAC meetings had been conducted from July 2024 till March 2025.

Circular-Based UAC Approvals

In another significant step towards enhancing EoDB, the UAC approved the following category of applications on a circular/ email basis:

- i. New Unit applications of Funds when the corresponding FME is already approved/ in process for LOA by the UAC.
- ii. Broadbanding of LOA, in cases where the IFSCA regulatory team has already approved the additional services.
- iii. Requests covered under Instruction 109 dated October 18, 2021, issued by the Department of Commerce vide F. No. K-43013(13)/7/2021-SEZ. These requests include change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution, change of Directors, etc

Accordingly, from July 2024 to March 2025, Circular based Agenda items have been taken in 35 UAC meetings along with the regular Agenda.

FAQs Booklet on SEZ Compliances

The office of Administrator (IFSCA) released a Frequently Asked Questions (FAQs) Booklet on SEZ compliances in the month of March 2025 as a measure to ensure better understanding of the provisions of SEZ Act/Rules, minimize the compliance burden and increase the overall regulatory clarity in GIFT-IFSC. This Booklet was designed to give comprehensive information and guidance regarding SEZ provisions covering the whole life cycle of a Unit in GIFT-IFSC, right from application for an SEZ LOA till the Exit of the unit.

Developed as part of IFSCA's commitment to a simplified regulatory framework, the FAQs Booklet serves as a quick reference guide, offering clear explanations on procedures, documentation requirements, and approval timelines. Designed in response to industry feedback, this user-friendly resource is a result of the experience gained by the office of Administrator (IFSCA) over the past one year in implementing the provisions of SEZ Act/Rules.

Transaction/Processes/Operations/Trends

In FY 2024-25, 45 UAC meetings were held under the Chairmanship of Administrator (IFSCA). The details of UAC meetings can be accessed on IFSCA website (<https://ifsc.gov.in/Pages/Contents/SEZUnitApproval>). In these 45 UAC meetings, 370 applications for setting up a new unit in the GIFT IFSC have been approved. The details of approvals given by the UAC under Chairmanship of Administrator (IFSCA) are given below.

Table 32: Details of UAC Meetings held in FY 2024-25

S. No.	Particulars	Till March 31, 2025
1	UAC meetings	45
2	New Units applications considered	373
3	No. of New Unit Applications approved	370
4	LOA issued	369
5	No. of Circular Agenda issued	35
6	No. of New Unit Applications of Funds approved by email/Circular mode	109
7	No. of Broadbanding of LOA	10
8	Requests covered under Instruction 109	65

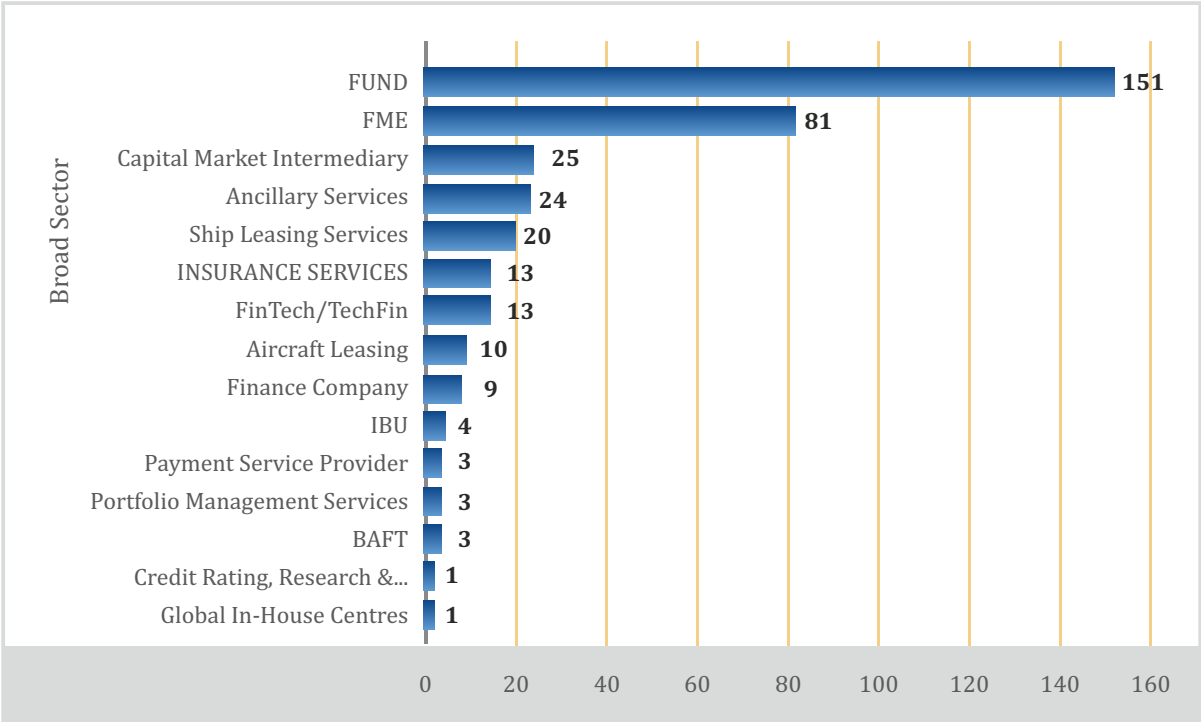
Table 33: Details of Post LOA processes during FY 2024-25

S. No.	Particulars	Till March 31, 2025
1	No. of physical BLUT approved	343
2	No. of LOA Extensions approved	198
3	No. of Commencement intimations taken on record	104
4	No. of LOA Renewal approved	14
5	No. of Address Change requests approved	61

Trends

The graph below illustrates the sector-wise distribution of LOAs issued up to March 31, 2025. It provides a clear overview of the key sectors driving growth within GIFT IFSC, highlighting the concentration of approvals across areas such as financial services, fintech, insurance, and capital markets.

Figure 17 : Sector-wise distribution of LOAs issued up to March 31, 2025



Policies and Programmes for the Following Year

SEZ amendments proposed in the Ease of Doing Business Report

In an effort to address the persistent operational challenges and regulatory bottlenecks faced by entities operating within GIFT IFSC, a comprehensive set of policy proposals has been formulated and submitted to the Ministry of Commerce and Industry (MoCI) as part of the IFSCA EODB report. These reforms are intended to streamline procedures, ensure greater alignment between regulatory authorities, and enhance the overall efficiency for IFSC units. In F.Y. 2025-26, these proposals will be vigorously pursued with MoCI to provide a simplified and better legal framework for IFSC units under the SEZ laws.

Enforcement

Uniquely positioned as both the developer and regulator of the IFSC jurisdiction, the IFSCA plays a pivotal role in fostering a robust and dynamic financial ecosystem. It is entrusted with the regulation of financial products, financial services, and financial institutions, while simultaneously promoting an environment that facilitates ease of doing business. A cornerstone of IFSCA's mandate is to enforce compliance requirements and uphold the integrity of the IFSC at GIFT IFSC. This ensures that the jurisdiction is not only operational in form but also in substance, aligning its regulatory standards with leading global financial centres and safeguarding its reputation as a credible and competitive international financial hub.

The overarching objective of enforcement actions is to promote transparency, enhance investor protection and confidence, and ensure alignment with international best practices. As more major domestic and global financial institutions establish operations in IFSC, IFSCA's role as a vigilant regulator and supervisor will be instrumental in sustaining and strengthening its reputation as a trusted and credible international financial jurisdiction.

IFSCA through Enforcement Division initiated enforcement actions against IFSC units in violation of the regulatory requirements under the applicable IFSCA regulations.

Three Regulated Entities in IFSC were served advisories as instruments for encouraging voluntary compliance, while the issuance of warnings signalled a calibrated escalation in response to non-compliance. These actions underscore IFSCA's firm commitment to ensuring that the IFSC at GIFT City operates as a jurisdiction for genuine economic activity, where operational presence in both form and substance aligns with the regulatory expectations—in letter and in spirit. This approach is aimed at deterring entities from using the IFSC solely for tax benefits or arbitrage without meaningful economic engagement.

A critical enforcement tool available to IFSCA is the power to revoke licenses, registrations, or authorisations. Such stringent measures are typically reserved for instances where entities, despite receiving advisories or warnings and being provided an opportunity to rectify lapses, persistently or deliberately flout regulatory and compliance requirements, or engage in conduct that undermines the integrity of the IFSC framework.

IFSCA's enforcement strategy reflects a balanced and calibrated approach—one that integrates robust oversight with sufficient regulatory flexibility to support the growth of GIFT City as a leading global financial hub. The preference for issuing advisories and warnings highlights IFSCA's inclination towards corrective over punitive measures, thereby fostering a culture of compliance without stifling innovation or growth.

Developmental Activities

International and Domestic MoUs

IFSCA executed several MoUs with domestic and international institutions. These MoUs paved the way for establishing formal channels of communication between IFSCA and counter-part regulators for knowledge sharing and cooperation in identified areas of mutual interest for the development of financial services, financial products and financial institutions in the respective jurisdictions.

MoU with Rashtriya Raksha University (RRU)

The IFSCA has signed a MoU with the Rashtriya Raksha University (RRU) to strengthen collaboration in areas of mutual interest. This agreement aims to establish a framework for mutual assistance and information sharing between the two institutions, particularly in financial services, regulations, and the application of technology.

The MoU between IFSCA and RRU signifies a step towards enhancing cooperation between the two entities, with a focus on areas like supervisory collaboration, financial innovation, and regulatory best practices. The agreement also aims to facilitate the exchange of information and experiences between the two organizations.



Image 21: IFSCA signed MoU with Rashtriya Raksha University in presence of Hon'ble Finance Minister Smt. Nirmala Sitharaman

Enhanced MoU with IOSCO

IFSCA signed the Enhanced MoU (EMMoU) of the IOSCO on May 16, 2024. The signing ceremony of the EMMoU was held during the Annual Meeting 2024 in Athens, Greece.

The IOSCO EMMoU allows for enhanced cooperation with powers essential for market integrity, investor protection, and fraud prevention. With this agreement, IFSCA can now utilize “ACFIT” powers⁷³, which include obtaining and sharing audit work papers, reviewing financial statements, compelling testimony, freezing assets, and accessing existing ISP and telephone records.



Image 22: Shri K. Rajaraman, Chairperson, IFSCA signs the IOSCO EMMoU during the IOSCO Annual Meeting 2024 in presence of Chair of IOSCO Board Mr. Jean-Paul Servais

MoU with Capital Markets Authority (CMA), Kuwait

On the sidelines of the India-Kuwait Investment Conference, organized by the Indian Embassy in Kuwait, IFSCA and CMA signed an MoU aiming to foster collaboration in sharing technological advancements and innovations in financial and regulatory frameworks.



Image 23 : Shri K Rajaraman, Chairperson, IFSCA and Mr. Othman Al-Issa, Vice Chairman Capital Market Authority of Kuwait exchanging MoU in the presence of Dr. Adarsh Swaika, Ambassador of India in Kuwait

⁷³ Powers abbreviated as “ACFIT” which includes the ability to obtain (A) audit papers, (C) compel attendance for testimony, (F) freeze assets, and obtain (I) internet service provider and (T) telephone records.

Bilateral MMoU with BSEC, Bangladesh

IFSCA signed a bilateral MoU with the Bangladesh Securities and Exchange Commission (BSEC) on May 26, 2024, on the sidelines of the IOSCO Annual Meeting in Athens, Greece.



Image 24: Shri K. Rajaraman, Chairperson, IFSCA and Prof. Shibli Rubayat-Ul Islam, Chairman, BSEC sign the MoU on the sidelines of the IOSCO Annual Meeting in Greece

MoU with FIU-IND



Image 25: Shri K. Rajaraman, Chairperson, IFSCA and Shri Vivek Agarwal, Director, FIU-IND, exchanging MoU

IFSCA has signed a MoU with Financial Intelligence Unit-India ('FIU-IND') on May 21, 2024. The MoU covers aspects for mutual co-operation in the areas of mutual interest including sharing of relevant information, conducting outreach and training for regulated entities, and compliance with each other's obligations under the relevant international standards etc.

IFSCA executes MoU with Labuan Financial Services Authority

IFSCA and the Labuan Financial Services Authority have entered into a Memorandum of Understanding (MoU) to formalize institutional cooperation between the two institutions for mutual benefit. The MoU was signed by Mr. K. Rajaraman, Chairperson, IFSCA, and Mr. Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah, Chairman, Labuan Financial Services Authority, on August 19, 2024.

The MoU was formally exchanged between H.E. Mr. B. N. Reddy, High Commissioner of India to Malaysia and Mr. Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah, Chairman, LFSA on August 20, 2024, and witnessed by the Honourable Dato' Seri Anwar Ibrahim, Prime Minister of Malaysia and the Hon'ble Prime Minister of the Republic of India, Shri Narendra Modi.

The objective of the MoU is to facilitate the sharing of knowledge and best practices on the development, regulation and supervision of the financial markets of the respective jurisdictions as well as to promote and secure the fitness and propriety of licensed or registered persons and to promote high standards and integrity in conduct of business.

IFSCA signs MoU with ICMAI to Develop GIFT IFSC as a Global Finance and Accounting Hub



Image 26: IFSCA and Institute of Cost Accountants of India (ICMAI) exchanging MoU

IFSCA and the Institute of Cost Accountants of India (ICMAI) have exchanged MoU on August 30, 2024, at IFSCA Headquarters, GIFT City, Gandhinagar. This collaboration aims to position GIFT IFSC as a leading "Global Finance and Accounting Hub."

The MoU's primary objective is to support the export of financial services talent from GIFT IFSC. ICMAI, leveraging its extensive network of overseas chapters and members, will actively disseminate information about the opportunities available within GIFT IFSC.

Additionally, ICMAI under the guidance of IFSCA, shall develop academic courses tailored to the specific needs of IFSCs, aligned to the global best practices.

IFSCA executes MoU with Indian Venture and Alternate Capital Association (IVCA)

IFSCA and the IVCA have entered into a Memorandum of Understanding (MoU) to enhance cooperation for the development of GIFT IFSC as a "Global Fund Management Hub". Shri Dr. Dipesh Shah from IFSCA and Rajat Tandon, President of IVCA, formally signed the MoU in a special ceremony, on September 18, 2024. Shri K. Rajaraman, Chairperson IFSCA, Mr Rajat Tandon, President IVCA, Dr. Dipesh Shah, Executive Director IFSCA witnessed the MoU signing.

MoU with Financial Planning Standards Board (FPSB)

The International Financial Services Centres Authority (IFSCA) and the Financial Planning Standards Board (FPSB) India have signed a Memorandum of Understanding (MoU) to collaborate on talent development and promote GIFT IFSC as a global financial hub. The MoU aims to support the evolution of GIFT IFSC as a leading financial services destination in India by empowering professionals and fostering a skilled workforce.



Image 27 : IFSCA and Financial Planning Standards Board (FPSB) exchanging MoU

MoU with Quality of Council (QCI)

International Financial Services Centres Authority (IFSCA) entered into a Memorandum of Understanding (MoU) with Quality Council of India during the IFSCA Talent Vista 2024.

MoU with ICAI to Develop GIFT IFSC as a Global Finance and Accounting Hub

The International Financial Services Centres Authority (IFSCA) and the Institute of Cost Accountants of India (ICAI) signed a Memorandum of Understanding (MoU) on August 30, 2024, to develop the Gujarat International Finance Tec-City (GIFT IFSC) as a global finance and accounting hub. This collaboration aims to facilitate the export of financial services talent from GIFT IFSC and develop specialized courses aligned with the evolving needs of the IFSC.

Advocacy and Outreach

RBI Governor Visit to IFSCA

RBI Governor Shri Shaktikanta Das visited IFSCA on June 22, 2024. Chairperson IFSCA, Shri K. Rajaraman and the IFSCA team made a presentation on the progress made and the future plans of IFSCA. Dr. Hasmukh Adhia, Chairman, GIFT City and Shri Tapan Ray, MD, GIFT City were also present.



Image 28 : Chairperson and Staff of IFSCA with Shri Shaktikanta Das, Governor, RBI, and Dr. Hasmukh Adhia, Chairman, GIFT City

IFSCA delegation visit to Kuwait

An IFSCA delegation led by Chairperson IFSCA visited Kuwait on April 23, 2024, to participate in India Kuwait Investment Conference 2.0, which was organized by the Embassy of India in Kuwait. During the visit, IFSCA formally signed and exchanged the Inter-regulatory cooperation agreement with Capital Market Authority, Kuwait. During the visit, meetings and roundtables were held with leading financial sector industry players in Kuwait, including Kuwait Investment Authority (KIA), Public Institution for Social Security (PIFSS), etc.

IFSCA Delegation visit to Norway

Embassy of India, Norway, jointly with Norway India Chamber of Commerce and Industry (NICCI) hosted a high-level meeting in collaboration with IFSCA delegation, bringing together business leaders and sector specialists from both India and Norway to discuss business opportunities in India's maiden IFSC at GIFT City.

Mr. Helge Tryti, Chairman of NICCI, Indian Ambassador to Norway H.E Acquino Vimal and other dignitaries were present in the meeting.

The keynote address by Mr. K. Rajaraman, Chairperson of IFSCA, focused on opportunities for Norwegian financial institutions in India's financial gateway i.e GIFT IFSC.

GIFT IFSC New York Conference 2024: Fund Management and Capital Market Opportunities in GIFT IFSC

During the IFSCA high-level delegation visit to the US, a conference was organised in New York to highlight the opportunities for Fund management and Capital Market in Gift IFSC. During the conference, the Chairperson, of IFSCA addressed the participants by highlighting significant achievements of India in critical sectors such as infrastructure, green energy, asset monetization, trade and investments, etc. He also emphasized the latest regulatory and business developments in GIFT IFSC, which have opened compelling opportunities for US institutions.

Roundtable Conference: Opportunities for US Institutions in GIFT IFSC

During the IFSCA high-level delegation visit to the US, a roundtable conference was organized in collaboration with the Consulate General of India in New York and ICAI and was attended by 50+ professionals from the financial services industry including CA professionals. Chairperson, IFSCA emphasised on the vision of Government to make GIFT IFSC a “Global Finance and Accounting hub” and highlighted the outsourcing opportunities available for US Accounting Professionals under the recently notified IFSCA (Book-keeping, Accounting, Taxation and Financial Crimes Compliance Services) Regulation 2024.

IFSCA delegation visit to UAE and Qatar

IFSCA delegation led by Mr. K. Rajaraman, Chairperson, IFSCA visited Qatar and UAE from November 10-13, 2024. During the visit, several conferences, roundtable meetings and one-to-one meetings were held with Banks, Fund Managers, Insurance firms.



Image 29 : Chairperson, IFSCA with Dr Tamy Ahmed Ali Al Boutamy Al Binali, CEO, Qatar Financial Markets Authority (QFMA) in presence of Mr. Sandeep Kumar, Deputy Chief of Mission, Embassy of India, Doha, Qatar



Image 30 : Chairperson, IFSCA with Qatari Businesses and Indian Diaspora in presence of Shri Vipul, Ambassador of India to Qatar in Doha



Image 31 : Chairperson, IFSCA with Abu Dhabi Global Market's Financial Services Regulatory Authority (ADGM's FSRA)



Image 32 : Chairperson, IFSCA with Dr. Maryam Alsuwaidi, CEO, Securities & Commodities Authority (UAE – SCA)



Image 33 : Chairperson, IFSCA with Mr. Arif Amiri, CEO, Dubai International Financial Centre

Visit of a Taiwanese Financial Institutions delegation to GIFT City

On December 4, 2024, a 31-member Taiwanese delegation, led by Mr. D.C. Lei, visited GIFT City to explore business opportunities for Taiwanese financial institutions and understand the financial services ecosystem at GIFT IFSC.



Image 34 : Chairperson, IFSCA with Chairman, TABF and the Taiwanese Delegation

The delegation comprised senior officials from TABF, the Central Bank of Taiwan, the Bankers Association of R.O.C., the Financial Supervisory Commission, and leading Taiwanese banks.

The delegation participated in a tour of GIFT City, visiting world class infrastructure features such as Automated Waste Collection System (AWCS), b) Utility Tunnel, District Cooling System (DCS) and City Control and Command Centre (C4).

The delegation then visited India INX, where a presentation was made by the India INX team highlighting its business operations, growth, and prospects for Taiwanese capital market intermediaries within the GIFT ecosystem.

3rd India-UK Financial Markets Dialogue

The third meeting of India-UK Financial Markets Dialogue was hosted by Department of Economic Affairs, Ministry of Finance in GIFT City, Gujarat on December 12, 2024.

The Dialogue was led by senior officials from the Indian Ministry of Finance and HM Treasury, with participation from Indian and UK regulatory agencies, including the RBI, SEBI, IFSCA, IRDAI, PFRDA, the Bank of England (BoE) and the Financial Conduct Authority (FCA).

The Dialogue opened with reflections on developments since the last meeting in April 2023, including the opportunity presented by India's intention to release a financial sector vision and strategy and the UK's commitment to publishing a financial services growth and competitiveness strategy. Both sides agreed to work to maximise synergies.



Image 35 : Chairperson, IFSCA and Joint Secretary, DEA with UK delegation

Delegates from India and the UK shared perspectives on priorities and ongoing reforms within their respective jurisdictions. The Dialogue focused on collaboration in evolving fields of financial regulation, noting the areas of mutual interest in both markets for increasing bilateral trade and investment between the financial sectors.

Innovation was a key theme throughout the dialogue, acknowledging the importance of Fintech, and the key role of financial data in enabling business activity. Both parties highlighted priorities identified in the IUKFP Fintech and Data Paper published last year and agreed to host the next meeting of the India-UK Fintech Joint Working Group in early 2025 to take forward agreed priorities. Participants discussed related priorities, including the G20 payments roadmap, digital payment connectivity, regulatory sandbox collaboration, collaboration on Central Bank Digital Currencies, and future cooperation on other emerging technologies including AI and Quantum computing.

India Digital Summit 2025

The Internet and Mobile Association of India (IAMAI) organized the 19th edition of the India Digital Summit (IDS) on January 16-17, 2025, in New Delhi. As part of the summit, Dr. Dipesh Shah, Executive Director, IFSCA, spoke at the fireside chat on *“The GIFT of Opportunity: The Strategic Advantage of setting up GCCs in IFSCA”*. During the chat, Dr. Shah highlighted the strategic benefits of GIFT IFSC for global institutions along with the opportunities in GIFT IFSC, particularly focusing on the advantages of setting up a Global Capability Center (GCC) in IFSC. Dr. Shah also emphasized the strategic benefits of GIFT IFSC for global institutions.

NIVESH - DESH VIDESH 2025

NRI Money Clinic, a YouTube channel, hosted a two-day Annual Global Investors Conference by the name NIVESH - DESH VIDESH 2025 on February 21-22, 2025, in Mangalore. Dr. Dipesh Shah, Executive Director, IFSCA, attended the conference and delivered a comprehensive presentation on "Opportunities for NRIs and Indian Diaspora in GIFT IFSC". Over 3000 NRIs and Indian Diaspora from 72 countries joined in live to listen to Dr. Shah. The event also witnessed participation from over 150 CXOs from the financial services industry including professional service providers, law firms, etc.

Luxembourg Fund Industry Seminar

Dr. Dipesh Shah, Executive Director, IFSCA, participated and delivered a keynote speech on "*GIFT IFSC: Opportunities for Luxembourg's fund industry & investors*" at the Luxembourg Fund Industry Seminar co-organized by Association of Luxembourg Fund Industry and LPEA - Luxembourg Private Equity & Venture Capital Association. During his address, Dr. Shah highlighted opportunities for Luxembourg's fund industry and investors in GIFT IFSC.

IFSCA CPSE SUMMIT 2.0: Opportunities in GIFT IFSC

To sustain growth momentum and highlight business opportunities for Public Sector Enterprises (PSEs) in GIFT IFSC across areas such as capital raising, sustainable finance, treasury operations, aircraft and ship leasing, insurance, InVITs, and REITs, IFSCA organized the "*IFSCA CPSE SUMMIT 2.0: Opportunities in GIFT IFSC*" on February 7, 2025.

The summit brought together representatives, including policymakers, industry leaders, financial experts, and senior executives such as CEOs and CFOs from Central Public Sector Enterprises (CPSEs) and leading State Public Sector Enterprises. The event featured insightful keynote addresses and discussions that explored the vast business opportunities for public sector enterprises in GIFT IFSC, aligning with the evolving global financial services landscape.

Smt. Surabhi Jain, Joint Secretary, DEA, noted, "*GIFT IFSC's ascent fuels India's global financial leap, aligning CPSEs with international capital for the Viksit Bharat 2047 vision.*"



Image 36 : Smt. Surabhi Jain, Joint Secretary, DEA, giving address during IFSCA CPSE Summit 2.0

IFSCA Delegation visit to United Kingdom and Republic of Ireland

IFSCA Delegation led by Shri K. Rajaraman, Chairperson, IFSCA to the United Kingdom & Republic of Ireland from March 17-21, 2025, held various conferences, meetings and roundtable interactions:

Conference on “Business Opportunities in India's maiden IFSC at GIFT City”

Conference was organized to showcase and deliberate upon the emerging business opportunities in India's maiden IFSC at GIFT City. The Conference witnessed participation from senior government officials, financial sector leaders, and key stakeholders from both India and the UK.



Image 37 : Chairperson, IFSCA, addressing at Conference on “Business Opportunities in India's maiden IFSC at GIFT City”

Outreach Activities with Foreign Universities

Shri K. Rajaraman, Chairperson, IFSCA, led delegation highlighted India's growth story, the role of IFSC in Viksit Bharat 2047, and gave comprehensive overview of the regulatory framework under the IFSCA for International Branch Campuses and Offshore Education Centres. The delegation elaborated on Government of India's vision to develop GIFT City not only as a financial services centre but also as a vibrant offshore education destination.

Interaction with members of Chartered Association of Business Schools:



Image 38 : Dr. Dipesh Shah, Executive Director, IFSCA, giving overview of regulatory framework under IFSCA for International Branch Campuses and Offshore Education Centres



Image 39 : Roundtable interaction on International Branch Campus opportunities for Irish Universities in GIFT IFSC



Image 40 : Roundtable interaction on International Branch Campus opportunities for UK Universities in GIFT IFSC



Image 41 : IFSCA Delegation Interacting on Trade Finance in London

At a roundtable of Factors and Trade finance companies organised by RXIL in London, Chairperson of IFSCA highlighted the growing importance of trade finance in strengthening global supply chains and underscored India's emergence as a reliable and competitive jurisdiction for international financial services. He invited global players to explore trade financing structures and cross-border opportunities using GIFT IFSC as a base.

Interaction with Ship Leasing and Shipping Insurance Business

Mr. Ashutosh Sharma initiated the discussions with an overview of the regulatory framework governing financial activities in GIFT IFSC and specifically highlighted the progress made under the IFSCA (Finance Company) Regulations, 2021.



Image 42 : Mr. Ashutosh Sharma giving overview of the regulatory framework governing financial activities in GIFT IFSC

Interaction with Aircraft Leasing Stakeholders

An engaging and well-attended interaction was convened in Dublin with around 100 participants from the aircraft leasing ecosystem. The session brought together a wide spectrum of stakeholders including lessors, tax advisors, legal experts and policy representatives, to deliberate on the growing opportunities for collaboration in the aircraft leasing sector between Ireland and India, particularly through GIFT IFSC.

Shri K. Rajaraman articulated India's ambition to position GIFT IFSC as a global hub for aircraft leasing and aviation finance, modelled after leading jurisdictions like Ireland. He highlighted the significant regulatory progress made by IFSCA and the broader institutional support from the Government of India to attract and sustain global leasing firms in India.



Image 43 : Chairperson, IFSCA, during interaction with Aircraft Leasing Stakeholders

Shri Ashutosh Sharma outlined the institutional support available to aircraft leasing firms, including a robust framework designed to provide tax neutrality, streamlined approvals, and regulatory clarity.

International FinTech Institute in GIFT City

IFSCA attended the inauguration of GIFT International FinTech Institute (GIFT IFI) and the GIFT International FinTech Innovation Hub (GIFT IFIH) which is supported by Asian Development Bank in GIFT City on January 17, 2025.

Other Outreach & Engagement Activities

Date	Particulars	Remarks
April 2024	GIFT IFSC: Town hall on Skilling and Talent Development for the Future Workplace	IFSCA officials participated in the event “GIFT IFSC: Town hall on Skilling and Talent Development for the Future Workplace” organized jointly by Deakin University and University of Wollongong. During the event, the two Australian Universities presented their course offering to the regulated entities in IFSC and discussed areas of collaboration.

Date	Particulars	Remarks
May 2024	Conference on Direct Listing	IFSCA, in collaboration with NSEIX, organized a conference in Bengaluru on May 10, 2024, in association with 3one4 Capital and IVCA. The event focused on direct equity listing and capital raising opportunities for Indian startups in GIFT IFSC. It was attended by startups, entrepreneurs, venture capital funds, and other stakeholders. IFSCA officials highlighted the potential of GIFT IFSC for raising capital through the listing of equity and debt securities.
	Country-level private sector roundtable in partnership with UNDP-FC4S Sustainable Finance Hub	IFSCA, in partnership with UNDP-FC4S, organized a private sector roundtable on May 31, 2024, at GIFT City, Gandhinagar. The roundtable aimed to gather private sector views on the G20 SFWG Agenda and its national implementation. It was attended by dignitaries from the Ministry of Finance, SEBI, RBI, corporate leaders, and other stakeholders. IFSCA officials highlighted the Authority's role in promoting sustainable finance and developing GIFT IFSC as a climate finance hub. The event featured discussions on Just Transition, Sustainability Reporting Requirements, and Financing Nature-based Solutions.
	Chintan Shivir-2024	IFSCA's 1st Annual Brainstorming exercise with leading industry participants was organized during the month of May and June. As part of this exercise, Chairperson IFSCA held brainstorming sessions with more than 40 industry leaders and experts to understand the following: Their business activities in India, other countries, and GIFT IFSC. Their plans to expand and enhance business activities in GIFT IFSC. Annual plan for 2024-25 for GIFT IFSC. Enabling policies from Government & IFSCA for accelerating their growth from GIFT IFSC. Their vision for GIFT IFSC as an engine for Viksit Bharat @ 2047.
June 2024	Webinar with Indian Diaspora in Kuwait	IFSCA participated in a Webinar organized by Indian Mission in Kuwait for the Indian Diaspora. During the Webinar, several opportunities across Banking, Funds and Insurance sector were presented.
	BSE Brokers Conference in Mumbai	IFSCA officials participated in the BSE Brokers Conference held in Mumbai to create awareness about Remote Trading Participants (RTP) on IFSC Exchanges and Derivatives Trading Opportunities on the IFSC Exchanges.
July 2024	IFCCI Higher Education Committee Webinar on Evolution of NEP and FHEI norm: A French Perspective	IFSCA officials participated in a Webinar organized by Higher Education Committee of the Indo-French Chamber of Commerce & Industry (IFCCI) themed on the "Evolution of NEP & FHEI norms: A French Perspective". During the webinar, IFSCA officials presented the regulatory and development opportunities in GIFT IFSC, particularly in respect of International Branch Campus opportunities.

Date	Particulars	Remarks
July 2024	Industry Roundtable - Deakin University GIFT City	IFSCA Officials participated in roundtable interaction organised by Deakin University. During the conference, IFSCA officials highlighted the importance of Industry- Academia collaboration for talent development in GIFT IFSC.
August 2024	GIFT IFSC: Demystifying The Asset Management Landscape	IFSCA officials participated in an event organized by Nuvama Asset Services in partnership with Deloitte and IC Universal Legal. During the event, IFSCA officials shared insights on the asset management landscape in GIFT IFSC. The discussions highlighted opportunities and developments within the asset management ecosystem at the IFSC, aimed at engaging key industry stakeholders.
	Financial Crime Expert and Conclave Awards	IFSCA officials participated in FinCrimeExpert's first-ever Conclave and Awards Event, which brought together industry leaders, regulators, law enforcement agencies, and solution providers. The event celebrated achievements in the field of Financial Crime Compliance (FCC). IFSCA officials emphasized the critical role of FCC professionals in safeguarding the financial system, aligning with the vision of Viksit Bharat @2047.
	Workshop on Trade credit- ECGC	IFSCA officials participated in a workshop on Trade Credit Insurance organised by ECGC. During the workshop, IFSCA officials highlighted the importance of collaboration between Banks and Insurance Offices for the growth of Trade credit business in GIFT IFSC.
	Webinar on theme "Unravel the Gift City: Indian IFSC" by HSBC	IFSCA officials participated in a webinar organised by HSBC themed on "Unravel the Gift City: Indian IFSC". During the webinar, IFSCA officials discussed about multiple benefits for clients exploring investment into Indian markets, whether it is a capital market investment or strategic investments.
September 2024	Global Webinars on GIFT City for MNC clients	IFSCA officials participated in a global seminar organized by Standard Chartered Bank titled "Unlocking Opportunities in India's GIFT City: A Global Financial Hub" on September 11-12, 2024. During the event, IFSCA officials highlighted the growth aspirations for GIFT City, key initiatives to attract non-financial corporates, and the overall vision and opportunities for global corporates in the IFSC.
	USIBC's India Ideas Summit and 49th Annual General Meeting	IFSCA officials participated in the India Ideas Summit and the 49th Annual Meeting of the U.S. Chamber of Commerce's U.S.-India Business Council (USIBC) held on September 12, 2024, in New Delhi. The summit, themed "Partnership and Prosperity in the Era of AI and Critical Technology", focused on leveraging emerging technologies to drive innovation and sustainability. IFSCA officials engaged with stakeholders on enhancing collaboration in the evolving U.S.-India tech and financial landscape.

Date	Particulars	Remarks
September 2024	Jefferies 3rd India Forum	IFSCA officials participated in Jefferies 3rd India Forum held from September 17–19, 2024, at The Oberoi, Gurgaon. The forum brought together over 110 global funds and institutional investors from across 10+ geographies. IFSCA officials provided a comprehensive overview of the GIFT IFSC ecosystem, highlighting the business opportunities it offers for global investors and corporates.
	GIFT City: The Emerging Talent Frontier	IFSCA official addressed the gathering at the " <i>GIFT Talent Summit</i> " organised at the IIT Gandhinagar on Thursday, 17 October 2024. The official highlighted the opportunities for GCCs in GIFT IFSC and emphasized the need for Academia and Industry to work together to develop a pool of skilled resources for the businesses operating in the GIFT IFSC.
November 2024	Business Standard BFSI Insight Summit	IFSCA officials participated in the Business Standard BFSI Insight Summit held on November 8, 2024, at the Jio World Convention Centre, Mumbai. During a panel discussion on GIFT City's role in boosting India's financial sector, IFSCA officials highlighted key advancements in GIFT IFSC, including the rise in registered entities from 129 to over 725 since the establishment of IFSCA. They also emphasized how GIFT IFSC offers offshore benefits within India, reducing the need for firms to shift operations abroad.
December 2024	India Business Forum 2024	IFSCA officials participated in the Inaugural India Business Forum 2024 organized by Allinial Global on December 17, 2024, in Goa. During the session titled " <i>Unlocking Opportunities: The Strategic Potential of GIFT City</i> ", IFSCA officials delivered a keynote address highlighting the overall opportunities at GIFT IFSC. A specific focus was given to the BATF (Banking, Asset Management, Trading, and Finance) opportunities available for global businesses.
	IOSCO Growth and Emerging Markets Committee - Network for Adoption or Other Use of ISSB Standards	IFSCA officials participated on December 18, 2024, in the launch of a dedicated network supporting the adoption and use of IFRS Sustainability Disclosure Standards (ISSB Standards) in Ankara, Turkey. The initiative, supported by the International Sustainability Standards Board (ISSB), includes 32 IOSCO members from 31 jurisdictions. The network aims to promote the adoption of IFRS Foundation's sustainability reporting standards, particularly in emerging markets.

Date	Particulars	Remarks
December 2024	Next Billion Forum	IFSCA officials participated in the “Next Billion Forum” hosted by Suzuki Group on December 23, 2024, at GIFT City. The event marked the launch of the Next Bharat Venture Fund-I from GIFT IFSC and saw participation from a large Japanese delegation, senior government officials, and industry leaders. IFSCA officials made a presentation highlighting the diverse business opportunities in GIFT IFSC for Japanese institutions and investors.
January 2025	India Digital Summit 2025	IFSCA officials participated in the 19th India Digital Summit (IDS) organized by IAMAI on January 16-17, 2025, in New Delhi. During the summit, IFSCA officials spoke in a fireside chat titled “The GIFT of Opportunity: The Strategic Advantage of setting up GCCs in IFSCA”. They highlighted the strategic benefits and opportunities for global institutions, focusing on the advantages of establishing Global Capability Centers (GCCs) in GIFT IFSC.
February 2025	ICAI World Forum of Accountants (WOFA) 2025	IFSCA officials participated in the World Forum of Accountants (WOFA) 2025, hosted by ICAI from January 31 to February 2, 2025, at Yashobhoomi, New Delhi. During the event, IFSCA officials presented on investment opportunities in India, focusing on inbound and outbound flows. They highlighted the overall opportunities available for Chartered Accountants within India's International Financial Services Centre (GIFT IFSC).
	SmartTech Asia 2025	IFSCA official participated in SmartTech Asia 2025 in Mumbai on February 13, 2025. The official along with other key dignitaries inaugurated the event and highlighted the role and opportunities available for technology companies within the GIFT IFSC.
March 2025	8 th IGPC-IIMA Annual Gold & Gold Markets Conference 2025	IFSCA officials participated in the 8th Annual Gold & Gold Markets Conference 2025, organized by the India Gold Policy Centre (IGPC) in collaboration with IIM Ahmedabad at Pragati Maidan, Delhi. During the session on “India@2047 - Transforming the Precious Metals Landscape”, they highlighted gold's strategic role in India's economy and the significance of the India International Bullion Exchange (IIBX) at GIFT IFSC in enhancing transparency, good delivery standards, and responsible sourcing. They also emphasized regulatory and governance aspects of exchange-traded bullion and the importance of a transparent trading mechanism.
	Global Conference of Actuaries 2025	IFSCA officials participated in the 24th edition of the Global Conference of Actuaries (GCA) 2025 held in Mumbai. During the conference, they emphasized the expanding opportunities for the growth of the actuarial profession in GIFT IFSC and highlighted the potential to leverage India's strong actuarial talent pool to serve international markets through the IFSC platform.

Date	Particulars	Remarks
March 2025	Rashtriya Raksha University (RRU) delegation visit to IFSCA	IFSCA hosted RRU's delegation consisting of 25 senior officials, including representatives from the police and armed forces, from Kenya, Nigeria, Malawi, Zimbabwe, Sierra Leone, Burkina Faso, and Mongolia. During the visit, the delegation was apprised of the regulatory architecture of IFSCA and cutting-edge developments within the financial services ecosystem at GIFT IFSC.
	HSBC Global Wealth Summit 2025	IFSCA official participated in the Global Wealth Summit 2025, organized by HSBC in GIFT City, Gandhinagar. During the summit, the official highlighted the wide range of business opportunities available for financial entities in IFSC and underscored the importance of understanding the evolving needs of both resident and non-resident customers. The discussions also focused on emerging trends in asset management, insurance, and investment solutions tailored to these customer segments.

SECTION-D

QUASI-LEGISLATIVE EXECUTIVE AND
QUASI-JUDICIAL FUNCTIONS OF THE AUTHORITY

Quasi-Legislative Functions of the Authority

IFSCA ('Authority') has been established by the IFSCA Act, 2019 ("the Act"), as a unified regulator for the development and regulation of financial services markets within IFSCs in India. The Authority is vested with powers to discharge executive, quasi-legislative, and quasi-judicial functions in respect of financial products, financial services, and financial institutions operating within an IFSC.

As per section 12 of the Act, the Authority is empowered to take such measures as it deems necessary to develop and regulate financial products, financial services, and financial institutions in an IFSC. In furtherance of this mandate, the Authority may also make recommendations to the Central Government regarding the introduction or permitting of specific financial products, financial services, or financial institutions within an IFSC.

Further, in accordance with Section 13 of the Act, the Authority is authorized to exercise all powers vested in the domestic financial regulators, i.e. Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA), with respect to 16 Acts specified in the First Schedule of the Act, insofar as they relate to financial products, financial services, and financial institutions operating within the IFSCs.

In exercise of its quasi-legislative powers, the Authority has issued regulations across various domains to effectively regulate financial products and services within the IFSCs. In furtherance of its regulatory mandate, the Authority has issued the following regulations, major notifications, guidelines, and circulars:

Table 34 : List of Regulations

Sr. No	Regulations	Date of Issue	Objectives
1	IFSCA/GN/2024/002 IFSCA (Payment Services) (Amendment) Regulations, 2024	02/04/2024	The regulations amended the definition of escrow services.
2	IFSCA/GN/2024/003 IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) Regulations, 2024	04/04/2024	Regulations establish a comprehensive regulatory framework for providing bookkeeping, accounting, taxation, and financial crime compliance services from the IFSC.
3	IFSCA/GN/2024/005 IFSCA (Board for Regulation and Supervision of Payment and Settlement Systems) Regulations, 2024	12/07/2024	The regulations enable the functioning of the Board for Regulation and Supervision of Payment and Settlement Systems for IFSC. The regulations provide for the following: <ul style="list-style-type: none"> i. The duties, powers and functions of the BPSS. ii. The procedure to be followed at the meetings of the BPSS. iii. How the powers of the BPSS are to be exercised under specific circumstances. iv. The power of the BPSS to set up sub-committees and advisory committees.
4	IFSCA/GN/2024/006 IFSCA (Listing) Regulations, 2024	20/08/2024	The Regulations provide a unified regulatory framework for listing of securities and other permitted financial products. The regulations aim to protect the interests of investors by ensuring that there is a full disclosure of material information that are required for decision making by the investors.
5	IFSCA/GN/2024/009 IFSCA (Payment and Settlement Systems) Regulations, 2024	14/10/2024	The regulations, inter alia, specify the authorisation requirement for the system provider for commencing or carrying on a Payment System in IFSC. Additionally, the regulations mandate the system provider to comply with the Principles for Financial Market Infrastructures (PFMI) issued by Committee on Payments and Market Infrastructures (CPMI) and International Organization of Securities Commissions (IOSCO).

Sr. No	Regulations	Date of Issue	Objectives
6	IFSCA/GN/2024/011 IFSCA (Market Infrastructure Institutions) (Amendment) Regulations, 2024	29/10/2024	Amendments have been primarily aimed at strengthening governance norms. The Regulations provide for a more comprehensive code of conduct for the MIIs and their governing board, directors, committee members, and key management personnel has been specified. Other key amendments include the provisions for the appointment of a Chief Risk Officer, Chief Legal Officer, and Chief Information Security Officer, and a requirement for a recognised clearing corporation to develop a framework for the orderly winding down of its operations.
7	IFSCA/GN/2024/012 IFSCA (Registration of Factors and Registration of Assignment of Receivables) Regulations, 2024	18/11/2024	The objective of the regulations is to provide for the manner of granting certificate of registration to Factors and filing of particulars of transactions with the Central Registry by a Trade Receivable Discounting System (TReDS) on behalf of the Factors under sub-section (1A) of section 19 of the Factoring Regulation Act, 2011
8	IFSCA/GN/2025/001 IFSCA (Bullion Market) Regulations, 2025	04/02/2025	These Regulations replace the IFSCA (Bullion Exchange) Regulations, 2020. The Regulations now have a wider scope as they cover not only the Bullion Exchange but other participants of the bullion market also. Other salient features include the widening of the definition of “consumer” and introduction of the definition of the term “non-independent directors”. Provisions relating to the appointment of Chief Risk Officer, Chief Legal Officer and Chief Information Security Officer have been incorporated, and a chapter on Inspection, Enquiries and Enforcement has been introduced.
9	IFSCA/GN/2025/002 IFSCA (Fund Management) Regulations, 2025	10/02/2025	These Regulations replace the IFSCA (Fund Management) Regulations, 2020. Some of the changes introduced by these Regulations are as follows: I. Several carve-outs from the regulatory requirements have been provided to the fund of funds schemes to facilitate creation and operation of feeder vehicles in IFSC in a cost-effective manner.

Sr. No	Regulations	Date of Issue	Objectives
			<ul style="list-style-type: none"> ii. Open-ended schemes have been permitted to commence the investment activities upon achieving an investment of USD 1 Mn. iii. A provision for joint investments by 2 individuals with specific relationships has been provided for non-retail schemes. iv. Requirement to obtain prior approval of IFSCA for the appointment of KMPs has been dispensed with. v. To further boost PMS activities and in line with the provisions in other jurisdictions, the minimum investment amount has been reduced to USD 75,000 from USD 150,000. vi. To aid in the global expansion of their operations, FMEs have been permitted to open branches or representative offices in other jurisdictions for the purpose of marketing their offerings.

Table 35: List of Major Notifications

Sr. No	Notification	Date of Publication	Purpose of Notification
1	FEMA. 10R (3)/2024-RB Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2024	19/04/2024	Allowed the funds raised through ADR, GDR, ECB, or direct listing of equity shares of companies incorporated in India on International Exchanges, to be held in foreign currency accounts with a bank outside India, pending their utilisation or repatriation to India.
2	FEMA. 395(2) /2024-RB Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Amendment) Regulations, 2024	19/04/2024	Introduced regulations pertaining to purchase or subscription of equity shares of companies incorporated in India on international exchanges scheme by permissible holder.
3	G.S.R. 518(E) Relating to Securities Contract (Regulation) Act, 1956	28/08/2024	Amended Rules 19 and 19A of the Securities Contracts (Regulation) Rules, 1957, insofar as they apply to an applicant company desirous of getting its securities listed on a recognised stock exchange in an International Financial Service Centre, and a company listed on a recognised stock exchange in an International Financial Service Centre, respectively.

Sr. No	Notification	Date of Publication	Purpose of Notification
4	4IFSCA/GN/2024/004 IFSCA (Banking) (Amendment) Regulations, 2024	04/07/2024	Added Swedish Krone, Norwegian Krone, New Zealand Dollar, and Danish Krone to the list of currencies permitted in IFSC for transactions.
5	S.O. 5241(E)	05/12/2024	“Schemes operated by a pension fund” notified as financial product u/s 3(1)(d) of the IFSCA Act, 2019.

Table 36 : List of Major Circulars/ Guidelines

Sr. No	Circulars/ Guidelines	Date of Issue	Objectives
1	Amendment to the IFSCA (Vault Manager) Circular, 2021	01/04/2024	The Amendment – i. stated that registered Vault Manager may apply for registration of additional vaults. ii. specified that no additional security deposit shall be charged for such registration. iii. specified that security deposit furnished by the Vault Manager with the bullion depository shall continue to be retained until such time as the Vault Manager surrenders the CoR for all vaults.
2	Remote Trading Participants on Stock Exchanges in the IFSC	03/04/2024	Permitted foreign entities, not having a physical presence in IFSC, to trade directly on the Stock Exchanges, on a proprietary basis, without a Broker-Dealer. The circular called such entities as Remote Trading Participant (RTP) and specified the conditions which RTPs must fulfil in order to be allowed to trade.
3	Internet Banking Service to Clients of IBUs	22/04/2024	The circular directed all the IFSC Banking Units (IBUs) to provide, at minimum, the following internet banking services – I. Information service ii. Interactive information exchange service iii. Transactional service
4	Permission to participate in the synthetic securitisation program of Parent bank	11/07/2024	The circular allowed IBUs, subject to certain general conditions, to participate in the synthetic securitisation program of its parent bank. One of the major conditions for such participation is that the Home Regulator of the IBU should have adopted the Basel III framework and must not have prohibited the banks under its jurisdiction from undertaking such transactions.

Sr. No	Circulars/ Guidelines	Date of Issue	Objectives
5	Credit Rating Agencies in the IFSC	25/07/2024	The circular permitted SEBI-registered CRAs, desirous of providing rating services in the IFSC, to apply for registration with IFSCA in accordance with the requirements provided under the IFSCA (Capital Market Intermediaries) Regulations, 2021, as amended from time to time.
6	Trading and Settlement of SGrBs in IFSC	24/09/2024	GoI has been issuing Sovereign Green Bonds (SGrBs) to mobilize resources for green infrastructure in India. To further increase global participation in SGrBs, a scheme for “Trading and Settlement of Sovereign Green Bonds in the IFSC in India” was introduced by the RBI. Subsequently, this circular was issued by IFSCA, detailing the operational guidelines for various market participants. This will facilitate easier access for non-resident investors to invest and trade in SGrBs, enhancing global climate capital flows into India.
7	Single Window IT System <i>inter-alia</i> for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI	30/09/2024	<p>The circular directed that, from October 01, 2024, all the applicants, barring those which are mentioned as exceptions under Clause 6, shall submit their applications exclusively through SWITS for seeking –</p> <ol style="list-style-type: none"> license, registration or authorisation, as the case may be, from IFSCA; approvals from SEZ Authorities and registration from GSTN; and, No objection Certificate (NoC)/ requisite approval from appropriate regulators. <p>Some of the key features of the SWIT System are:</p> <ol style="list-style-type: none"> Common Application Form Integration via API with SEZ Online System for obtaining SEZ Approvals Interface with three financial regulators i.e. RBI, SEBI and IRDAI for obtaining No Objection Certificate (NoC) Obtaining GST Registration Real time data validation of PAN, DIN and CIN Integrated Payment Gateway Integrated Digital Signature Certificate (DSC) Module

Sr. No	Circulars/ Guidelines	Date of Issue	Objectives
8	Master Circular for Credit Rating Agencies	01/10/2024	<p>The circular superseded all the circulars and guidelines issued by SEBI (prior to October 01, 2020) in respect of credit rating agencies registered with IFSCA, and also compiled the following three circulars issued by IFSCA:</p> <ul style="list-style-type: none"> i. “<i>Credit Rating Agencies in the IFSC</i>”, clarifying requirements relating to providing services by SEBI-registered credit rating agencies in the IFSC; ii. “<i>Valuation of Assets of Schemes under IFSCA (Fund Management) Regulations 2022 by Credit Rating Agencies at IFSC</i>” permitting CRAs registered with the Authority to undertake valuation of assets of the schemes under the IFSCA (Fund Management) Regulations, 2022; iii. “<i>Enabling Credit Rating Agencies to undertake additional activities relating to ESG Ratings and Data Products Providers</i>”, enabling CRAs registered with Authority to also undertake services relating to ERDPPs in accordance with the requirements laid down in this circular.
9	Listing of Commercial Paper and Certificates of Deposit on the recognised stock exchanges in the IFSC	17/10/2024	<p>The Circular provides the regulatory requirements for facilitating issuers to list CP and CD in an efficient and transparent manner ensuring that adequate material information is made available to the investors for making informed decision. The Circular, <i>inter-alia</i>, specifies the conditions for issuance of CP and CD, eligible issuers, eligible investors, disclosures in the offer document, continuous disclosures etc.</p>
10	Framework for ESG Ratings and Data Products Providers in the IFSC	30/10/2024	<p>The circular specified the regulatory framework for “<i>ESG Ratings and Data Products Providers</i>” as a new category of intermediary under the IFSCA (Capital Market Intermediaries) Regulations, 2021. The regulatory norms have been laid down pursuant to benchmarking the global best practices, IOSCO report and Code of Conduct published by ICMA.</p>

Sr. No	Circulars/ Guidelines	Date of Issue	Objectives
11	Principles to mitigate the Risk of Greenwashing in ESG labelled debt securities in the IFSC	21/11/2024	<p>In line with the practices prevalent in other jurisdictions and in order to further promote transparency, accountability and adequacy of disclosures to investors, the circular highlighted the following principles which issuers of ESG labelled debt securities in IFSC should adhere to –</p> <ul style="list-style-type: none"> i. Being True to Label - Avoid misleading labels and terminology ii. Screen the Green - Transparency in methodology for project selection and evaluation iii. Walk the talk - Managing and tracking use of proceeds iv. Overall Impact - Quantification of Negative Externalities v. Be alert - Monitoring and Disclose
12	Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC	02/12/2024	<p>The circular provides detailed norms and requirements for RE in IFSC, inter alia, relating to having a policy for complaint handling and grievance redressal, procedure for complaint handling along with timelines, appeal mechanism, complaint before IFSCA, maintenance of records, disclosures on website and annual report, reporting and maintenance of online system for complaint handling.</p>
13	International Financial Services Centres Authority (Informal Guidance) Scheme, 2024	02/12/2024	<p>The Scheme is aimed at providing a mechanism for seeking clarity and guidance <i>inter-alia</i> on various issues pertaining to a potential business activity and transactions, which are under the regulatory ambit of the IFSCA and on other legal issues emanating from the acts administered by IFSCA.</p> <p>The informal guidance can be sought under two forms, namely: No-Action letter and Interpretative letter. The former provides comfort to the persons undertaking proposed transaction, as it indicates whether the relevant Department would recommend any enforcement actions to the Authority, under the applicable legal provisions associated with proposed business transactions. The latter provides interpretative clarity on the applicable legal and regulatory framework for making informed and compliant decisions.</p>

Sr. No	Circulars/ Guidelines	Date of Issue	Objectives
14	Guidelines on setting up and operation of International Trade Finance Service Platform	23/12/2024	<p>The revised guidelines on setting up and operation of International Trade Finance Services Platform issued under the IFSCA (Finance Company Regulations), 2021, replaced the ITFS guidelines issued on July 9, 2021.</p> <p>The key changes in the revised guidelines on ITFS are with respect to the following –</p> <ul style="list-style-type: none"> i. Eligibility Criteria ii. On-Tap Registration Process iii. Permissible Activities iv. Eligible Participants v. Expanding the Scope of Financiers vi. Bidding for Trade Finance Units (TFU) vii. Complaint Handling and Grievance Redressal viii. Outsourcing
15	Liquidity Enhancement Scheme for Bullion Exchange	04/02/2025	IFSCA permitted Bullion Exchange in the IFSC to introduce one or more liquidity enhancement schemes (LES) to enhance liquidity of illiquid commodity derivatives contracts.
16	Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs	10/03/2025	<p>The Guidelines lay down IFSCA's broad expectations from its REs. The implementation of these Guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration:</p> <ul style="list-style-type: none"> i. the scale and complexity of operations, ii. the nature of the activity the entity is engaged in, iii. its interconnectedness with the financial ecosystem, and iv. the corresponding cyber risks the entity is exposed to. <p>The key components of the Guidelines are categorized into:</p> <ul style="list-style-type: none"> i. Governance ii. Cyber security and cyber resilience framework iii. Third party risk management iv. Communication & awareness v. Audit

Advocacy and Outreach

Actions taken towards establishing and promoting GIFT IFSC as a hub for dispute resolution

Submission of Expert Committee for drafting the institutional arbitrational rules for the proposed International Arbitration Centre at GIFT-IFSC as a hub for dispute resolution

In the Union Budget 2022-23, Hon'ble Finance Minister announced setting up of an International Arbitration Centre in GIFT City for timely settlement of disputes under international jurisprudence.

In order to establish and to operationalise the IAC at GIFT IFSC a robust team of experts in the field of International Commercial Arbitration and Alternate Dispute Resolution is pre-requisite. Accordingly, IFSCA had constituted an “*Expert Committee on drafting Institutional Arbitral Rules for International Arbitration Centre (IAC) at GIFT IFSC and matters incidental thereto*” (IAC Committee) on May 25, 2023. The said committee has submitted its report in the month of July 16, 2024.



Image 44 : The Expert Committee on drafting Institutional Arbitral Rules for IAC submitting the report on July 16, 2024, to Chairperson, IFSCA

Conference on “Developing Alternative Dispute Resolution and International Arbitration Centre (IAC) in GIFT IFSC”

In order to popularize and promote GIFT IFSC as a seat of international commercial arbitration and mediation and to gather insights and to understand the opportunities and the way forward in implementing the budget announcement, IFSCA in collaboration with GIFT City and GNLU successfully organized a Conference on “*Developing Alternative Dispute Resolution and International Arbitration Centre (IAC) in GIFT IFSC*” on September 28, 2024, at GIFT City, marking a significant step towards developing a world class ADR ecosystem in GIFT IFSC.

The conference featured engaging panel discussions, networking opportunities, and a plenary session by the Expert Committee providing key insights and recommendations from their comprehensive report on establishing a robust ADR framework including IAC. The speakers in the panel discussion included renowned experts in the field.



Image 45: Shri K. Rajaraman, Chairperson, IFSCA, Shri Dr. M.S. Sahoo, Former Chairperson, IBBI, Prof. (Dr.) S. Shanthakumar, Director, GNLU, and other dignitaries at Conference on Developing Alternative Dispute Resolution and International Arbitration Centre (IAC) in GIFT-IFSC

Policies and Programmes for the following year

Implementation of the Expert Committee recommendations

The report of the Expert Committee was submitted in the month of July 2024. In furtherance of the recommendation of the Expert Committee and Budget announcement, IFSCA will strive to implement the recommendations of the committee by seeking requisite legal enablers and other policy changes and the same would be taken up with Department of Economic Affairs (DEA).

Major recommendations of the Expert Committee *inter-alia* include:

- i. Emulating the international best practices from major jurisdictions, such as use of technology, third party funding, representation by foreign lawyers, etc.;
- ii. Regulatory architecture for the ADRC, wherein amendments are proposed under IFSCA Act, 2019; Arbitration and Conciliation Act, 1996 and the Mediation Act, 2023 to provide choice of governing law for the parties, recognizing third party funding, dedicated bench for hearing the appeals and application for arbitration seated at IFSC, etc.;
- iii. Institutional framework for ADRC wherein committee has recommended legal structure, administrative structure, governing framework for ADRC, etc.; and
- iv. A judicial framework for the IFSC wherein a dedicated court structure in various phases.

Amendments under IFSCA Act, 2019

In order to create an overarching framework for IFSC in India and to bring futuristic changes in IFSCA Act, 2019 the DEA has constituted a committee vide an Office Memorandum dated May 23, 2023, for drafting amendments to the IFSCA Act, 2019. In view of this, the IFSCA has examined the IFSCA Act & other relevant Acts and proposed amendments *inter-alia* in relation to dispute resolution mechanism in IFSC, Ancillary Services, Variable Capital Companies, and enforcement powers for newly notified financial products and financial services, etc. The proposed amendments are being followed up and pursued by IFSCA.

Implementation of IFSCA (Informal Guidance) Scheme, 2024

IFSCA has issued IFSCA (Informal Guidance) Scheme, 2024 on December 02, 2024. The Scheme is aimed at providing a mechanism for seeking clarity and guidance *inter-alia* on various issues pertaining to a potential business activity and transactions, which are under the regulatory ambit of the IFSCA and on other legal issues emanating from the acts administered by IFSCA.

The guidance is provided through two instruments:

- i. **No-Action letter:** It is given by the Department to provide comfort to the persons undertaking proposed transaction, as it indicates whether the relevant Department would recommend any enforcement actions to the Authority, under the applicable legal provisions associated with proposed business transactions.
- ii. **Interpretative letters:** This is aimed at providing interpretative clarity on the applicable legal and regulatory framework for making informed and compliant decisions by the applicant.

Towards implementation of the scheme, the Nodal Co-ordination cell and other Departments of the IFSCA are co-ordinating to proactively provide necessary guidance to the applicants, to enhance ease of doing business in IFSC.

Review of IFSCA Regulations

As per the Regulation 7 of the IFSCA (Procedure for making Regulations) Regulations, 2021, the Authority (IFSCA) shall review each regulations every three years, keeping in view the factors specified under the said regulation. Accordingly, a holistic examination of relevant regulations which have completed three years are being undertaken. In respect of some new areas, IFSCA has in the past issued the regulatory framework in the form of circular/ guidelines/ notifications etc. In view of this, IFSCA is in contemplating to evaluate such circulars to convert them into Regulations after gaining sufficient experience.



SECTION-E

PERFORMANCE ASSESSMENT OF THE AUTHORITY

Performance Assessment

Section 17(3) of the IFSCA Act, 2019 provides the mechanism to review the performance of IFSCA. Section 28(2)(d) of the IFSCA Act, 2019 provides IFSCA the powers to make regulations in respect of Performance Review Committee. Accordingly, IFSCA (Performance Review Committee) Regulations, 2022 ("PRC Regulations"), were notified on March 23, 2022, providing the framework for constitution, scope, information sharing and reporting relating to functioning of Performance Review Committee ("PRC").

The following committees were formed to review the functioning of the Authority, specifically on whether

- a. it has adhered to the provisions of the applicable laws while exercising powers or performing functions under the Act;
- b. the regulations made by the Authority to give effect to the provisions of the Act promote transparency and best practices of governance; and
- c. the Authority is managing risks to its functioning in a reasonable manner.

The following three committees were formed to review the functioning of the Authority:

Committee on Compliance

The scope of the committee is to review whether the authority has adhered to the provisions of the applicable laws while exercising powers or performing functions under the Act.

Members of the Committee

1. Shri Bahram Vakil, Independent Expert (Chairperson of the Committee)
2. Member from RBI (Shri R Lakshmi Kanth Rao, ED)
3. Member from SEBI (Shri Pramod Rao, ED)
4. Shri J Ranganayakulu, Independent Expert Major

Major Recommendations of the Committee

- i. All the regulations notified by IFSCA during the financial year 2023-24 are in accordance with the scope, mandate and powers provided in the IFSCA Act (sections 12, 13 and 28 of IFSCA Act read with definitions provided under section 3 of the IFSCA Act).

- ii. All the regulations notified by IFSCA have been laid before Parliament in accordance with the requirements specified under section 29 of the IFSCA Act. No comments have been received from the Parliamentary Committee on Subordinate Legislation on the regulations placed by IFSCA.
- iii. IFSCA has followed a consultative approach while coming out with the regulations and the comments and suggestions received from stakeholders have been taken into consideration while finalizing the regulations.
- iv. The consultation papers, comments received from public, and the notified regulations are uploaded on the website of IFSCA in terms of the requirement specified under the IFSCA (Procedure for making Regulations) Regulations, 2021.
- v. The consultation papers released by IFSCA include text of the proposed draft regulations / amendments.
- vi. The recently introduced scheme on informal guidance is also a step in the right direction as it can enable entities to submit specific issues or scenarios for which they require regulatory guidance, promoting clarity and proactive compliance.

Committee on Risk Management

The scope of the committee is to review whether the Authority is managing risks to its functioning in a reasonable manner.

Members of the Committee

1. Member from IRDAI (Shri P.K. Arora, Whole Time Member) (Chairperson of the Committee)
2. Member from Department of Economic Affairs (Ms. Surbhi Jain, Joint Secretary)
3. Shri Sriram Balasubramanyam, Independent Expert
4. Shri G Srinivasan, Independent Expert

Major Recommendation of the Committee

Risk Management Framework (ERM Framework) has been prepared in IFSCA which provides insights into the enterprise risks faced by the Authority.

Committee on Transparency and Best Practices of Governance

The scope of the committee is to review whether the regulations made by the Authority to give effect to the provisions of the Act promote transparency and best practices of governance.

Members of the Committee

1. Dr. M. S. Sahoo, Independent Expert (Chairperson of the Committee)
2. Member from Department of financial Services (Shri Pankj Sharma, Joint Secretary)
3. Member from PFRDA (Shri Ananta Gopal Das, ED/ Ms. Mamta Rohit, ED)
4. Shri M V Nair, Independent Expert

Major Recommendations of the Committee

- i. IFSCA has introduced a unified Single Window IT-enabled (SWIT) system for applicants to make applications to IFSCA under various regulations. This system has inbuilt mechanisms to keep track of the date of receipt of applications, the current status of the application, including the transfer file history, indicating file movement, etc. These technology-based solutions help in maintaining a proper record of turnaround time taken for processing of applications from filing into the system to its final disposal, whether accepted or rejected.
- ii. Further, it is also observed that IFSCA has declared disposal timelines for various applications by publishing on its website a Circular titled '*Time Limit for Disposal of Applications*' dated November 28, 2023. This also helps in boosting the trust of the people in the established processes.
- iii. FAQs and Guidance Notes have been placed on the website of the IFSCA, which are also observed to be regularly updated. These are found to be addressing common stakeholder concerns and offering clear interpretations of regulations.
- iv. It is learnt that regular meetings are conducted to review the status of all pending applications in order to identify bottlenecks, prioritize cases based on urgency or stage of processing, and ensure timely action, etc. Further, where necessary, queries are raised to applications to seek additional information or clarification from the applicant.
- v. Public disclosure steps taken by IFSCA are appreciated, which include publication of comments received under public consultation of various regulations, annual reports, and quarterly bulletin reports.

Recommendations of the Committees along with Action Taken Report have been submitted to central Government of India after placing before the Authority.

SECTION-F

SOURCE OF FUNDS AND MAJOR
AREAS OF EXPENDITURE

Source of Funds and Major Areas of Expenditure

Table 37: Sources of Funds for FY 2024-25

Sources of Funds - Receipts	Amount (INR lakhs)
Annual Fees	3820.17
Listing fees	3.41
Registration Fee ⁷⁴	2372.36
Renewal Fee	7.14
Application Fees	721.13
Other Fees	2295.24
<i>Broker Turnover Fees - Capital Market</i>	2070.24
<i>Turnover Fees - Insurance</i>	21.44
<i>Other Misc. Income (Late Fee, Interest on Late Fee, Event Based Fee etc.)</i>	203.55
A) Fees/Subscriptions - (Sub-Total)	9219.44
B) Government Grants⁷⁵	4238.99
<i>Grants in Aid for Salary</i>	3198.00
<i>Grants in Aid for General</i>	1040.99
C) Interest Income	976.89
D) Other Misc. Income	371.52
Total Sources of Funds (A+B+C+D)	14806.84

Table 38: Major Areas of Expenditure for FY 2024-25

Major Areas of Expenditure	Amount (INR lakhs)
Establishment Expenses	4490.34
Administrative Expenses	2081.55
Other Expenses	105.76
Expenditure Total	6677.65

⁷⁴ Registration Fee includes similar nature/ type of fee viz. Licence/ Recognition/ Authorisation/ Activity Based Fees.

⁷⁵ Total Grant in Aid received during FY 2024-25 was Salary (INR 31.98 Crore) plus General (INR 16.51 Crore) = INR 48.49 Crore. However, unutilized Grant of previous years worth INR 6.10 crore were refunded to the Government and therefore net Grant in Aid = INR 42.39 Crore.

SECTION-H

ORGANISATIONAL MATTERS

Organisational Matters

Table 39: Authority Structure as on March 31, 2025

Department	Divisions
Banking Supervision	Banking Supervision Finance Company Supervision Division of Payment Services (PSs) and Payment & Settlement Systems (PSSs)
Banking	Finance Company Regulation Payment and Settlement Banking Regulations
Capital Markets	Corporate Finance Sustainable Finance Market Infrastructure Institutions – Regulation and Supervision Investment Funds - I and New Products & Services Investment Funds - II Supervision of Intermediaries
Insurance & Pension	Insurance Pension Global-In-House Centre and Ancillary Services
Metals & Commodities	Market Development Market Regulation
Development	Development of Financial Markets Foreign University Economic Policy and Analysis International Affairs Outreach and Communication Ease of Doing Business Cell
General Administration	Administration and HR Treasury Finance and Accounts Rajbhasha Project Management Unit (International Events, Conferences and Summits)
Technology	Information Technology FinTech
Policy and Legal Affairs	Legal Policy Legal Affairs Consumer Education and Protection SEZ
Regulatory Policy and Regulatory Affairs	Regulatory Cooperation Risk Based Supervision Cell Enforcement Division Anti Money Laundering and CFT
	Cyber Security

Authority Meetings

Table 40: IFSCA Authority meeting held in FY 2024-25

Sr. No.	Meeting	Date
1	19 th Authority Meeting	May 30, 2024
2	20 th Authority Meeting	June 27, 2024
3	21 st Authority Meeting	September 27, 2024
4	22 nd Authority Meeting	December 19, 2024
5	23 rd Authority Meeting	March 26, 2025

Human Resources

Table 41: Sanctioned and actual strength of IFSCA employees

Position	Sanctioned strength as on March 31, 2025	Actual strength as on March 31, 2025
Executive Director	6	4
Chief General Manager	12	4
General Manager	16	13
Deputy General Manager	20	6
Assistant General Manager	27	5
Manager	35	16
Assistant Manager	52	44
Executive Assistant/Senior Executive Assistant/ Executive Superintendent	27	0
Multi-Tasking Staff Grade A/ Grade B/ Grade C ⁷⁶	13	3
TOTAL	208	95

⁷⁶ The requirements are being partially met through outsourcing.

Table 42: Consultants at IFSCA as on March 31, 2025

Sr. No.	Position	Number	Remarks
1	Sr. Consultants	3	Full time basis
2	Consultants Grade1/Grade2	6	Full time basis
3	Young Professionals	15	Full time basis
4	Adviser	1	Part-time basis

Right to Information

Table 43: Status of RTI applications during FY 2024-25

Requests Received	Initial Action to Be Taken	Total number of RTI requests replied				Pending Requests
		Information Provided	Rejected	Transferred To Other Public Authority	Returned To Applicant	
207	0	195	3	3	0	6

Events and Activities

Chintan Shivir 2025

IFSCA Chintan Shivir 2025 concluded with enriching discussions on various topics, ranging from AI and SupTech to emerging regulations. The exchange of ideas and experiences during the Shivir reinforced the collective dedication of IFSCA officers to national progress.



Image 46: IFSCA Officials at Chintan Shivir 2025

5th IFSCA Foundation Day Celebration

5th IFSCA Foundation Day was celebrated with acknowledgment to achievements made, while highlighting the challenges ahead, and emphasizing the value of a focussed and unified approach for overcoming the challenges.

Mr. K. Rajaraman, Chairperson, IFSCA, awarding outstanding performance on the 5th IFSCA Foundation Day celebrations, recognizing dedication, resilience, innovation, and team spirit that drive our mission forward, setting new benchmarks, and shaping a brighter future together.



Image 47: Shri K. Rajaraman, Chairperson, IFSCA, facilitating awards for outstanding performance by IFSCA Officials on various themes

Swachhata Hi Seva 2024 Campaign

A cleanliness drive was undertaken by IFSCA officials at PDEU Bridge, Gandhinagar to celebrate the Swachhata Diwas in connection with the “Swachhata Hi Seva 2024” campaign.



Image 48: IFSCA Officials celebrating "Swachhata Hi Seva 2024" with a cleanliness drive

IFSCA officials led by Shri Praveen Trivedi, Executive Director participated in a plantation drive in GIFT IFSC which was held as part of the ongoing Swachhata Hi Seva Campaign, 2024.



Image 49: IFSCA Officials participating in a plantation drive in GIFT City

To mark the beginning of the “Swachhata Hi Seva 2024” campaign during Sept 17- Oct 2, 2024, Shri K. Rajaraman, Chairperson, IFSCA administered the “Swachhata Shapath” to the officers and other staff members.



Image 50: Chairperson, IFSCA, administered the “Swachhata Shapath” to IFSCA Officials

As part of the “Swachhata Hi Seva 2024” campaign, Dr. Dipesh Shah, ED, IFSCA administered the pledge to the officers and other staff members for saying “NO” to Single Use Plastic items.



Image 51 : IFSCA Officials taking pledge for Saying "NO" to Single Use Plastic items

IFSCA officials participated in a Cleanliness Awareness Walkathon in GIFT IFSC as part of the “Swachhata Hi Seva 2024” campaign.



Image 52: IFSCA officials participated in a Cleanliness Awareness Walkathon in GIFT IFSC

A preventive health check-up of the Safai Mitras/ Sanitation workers at IFSCA was carried out in relation to the ongoing “Swachhata Hi Seva 2024” campaign



Image 53: A preventive health check-up of Safai Mitras/ Sanitation workers at IFSCA

Celebration of 78th Independence Day by IFSCA

IFSCA celebrates India's 78th Independence Day at GIFT IFSC in Gandhinagar. The celebration commenced with a flag-hoisting ceremony, followed by an inspiring speech from the Chairperson of IFSCA, highlighting India's future aspirations.



Image 54: IFSCA Officials celebrating 78th Independence Day

Hindi Pakhwada 2024

IFSCA has organized the Hindi Pakhwada 2024 from September 14 to 30, 2024. As part of this, Hindi Drafting and Hindi Translation Competitions were organized. Participation certificates and prizes were distributed among the participants and winners.



Image 55: IFSCA Officials participating in Hindi Pakhwada 2024 organised by IFSCA

International Yoga Day 2024

IFSCA staff celebrated International Yoga Day with enthusiasm. Various Yogasanas were performed by employees, led by Chairperson Shri K Rajaraman, who emphasized that Yoga is a manual for human machine & encouraged all to adopt yoga as a way of life for overall wellness.



Image 56: IFSCA Officials celebrating International Yoga Day 2024

Vigilance Administration

IFSCA's Vigilance cell is under the overall charge of the Chief Vigilance Officer (CVO). The main function of the cell is to undertake preventive vigilance and anti-corruption measures as also investigate complaints /allegations having vigilance angle (as defined by the Central vigilance Commission) against the employees of IFSCA. The cell also implements the various instructions issued by the Central Vigilance Commission (the Commission).

Celebration of the Vigilance awareness week 2024

As part of the Vigilance Awareness Week from October 28, 2024, to November 3, 2024, Officers of IFSCA took the Vigilance Pledge affirming their commitment towards integrity and ethics in public life. Further, a session on "Preventive Vigilance" was held on November 4, 2024, with faculty support from the Institute of Secretariat Training and Management (ISTM), DOPT, GoI, for the newly recruited Assistant Managers of IFSCA.

POSH Committee Report (FY 2024-25)

In compliance with Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Internal Committee (IC) for the Prevention of Sexual Harassment (POSH) has been duly constituted. The committee plays a pivotal role in upholding the organization's commitment to a safe, inclusive, and respectful work environment.

During the financial year 2024-25, the committee convened its quarterly meetings as scheduled, with the participation of all members including the external member. These meetings focused on strengthening preventive mechanisms and enhancing awareness across the organization.

As part of its sensitization efforts, all new employees were oriented on the POSH policy. Through regular awareness initiatives all staff have been informed about their rights, responsibilities, and the redressal mechanism available.

No complaints were received during the financial year 2024-25. The committee remains committed to promoting a work culture grounded in dignity, equality, and zero tolerance towards sexual harassment.



SECTION-J

AUDIT COMMITTEES

Audit Committee

In accordance with Para 4 (2) of the International Financial Services Centres Authority (Form of annual Statement of Accounts) Rules, 2022, IFSCA Audit Committee has been constituted with the following members:

1. Shri Pankaj Sharma, Member, IFSCA (Chairperson);
2. Shri Pramod Rao, Member, IFSCA (Member); and
3. Shri Praveen Trivedi, ED, IFSCA (Member)

IFSCA financial statements for the FY 2024-25 were placed before the Audit Committee in its meeting held on June 19, 2024. Audit Committee authenticated the same.

DATA APPENDIX

Data Appendix

Authorisation by IFSCA

Appendix Table 1: Licenses/ Registrations issued by IFSCA based on SEZ LOAs⁷⁷

SEGMENT	Category	As on March 31, 2025
Banking	IFSC Banking Units	29
	Global Administrative Office	2
Payment Services	Payment Service Entities	5
Finance Company	Aircraft Leasing Entities	32
	Ship Leasing Entities	24
	Finance Company - Core/Non -core incl. RTC	13
	ITFS	4
Capital Market	MII	5
	Broker Dealer	83
	Clearing Member	23
	Depository Participant	10
	Registered Distributors	14
	Investment Advisors	3
	Custodian	5
	Debenture Trustee	4
	Credit Rating Agencies	1
	Investment Banker	4
	ESG Ratings and Data Products Provider	0
	Fund Management Entity	162
	AIFs/Schemes	229
Insurance	Insurance/Reinsurance Entities (IIOs)	18
	Insurance Intermediaries (IIIOs)	27
Ancillary Services	BATF Entities	3
	Ancillary Services Providers	88

⁷⁷ Including in-principle/provisional approvals

SEGMENT	Category	As on March 31, 2025
Bullion Market	MII	1
	Bullion Intermediaries	20
	Vault	4
FinTech/ TechFin	Direct Authorization	18
	Sandbox	27
GIC	GIC (large)	1
	GIC (mid-size)	2
Foreign University	International Branch Campus	3
	Total	864

Banking

Appendix Table 2: Assets of IBUs

Month ended	Mar 2024	Mar 2025
Particulars	USD Mn	
Investments	2847.62	5390.11
<i>Sovereign securities</i>	<i>1200.26</i>	<i>2823.16</i>
<i>Corporate Bonds</i>	<i>1597.81</i>	<i>1981.11</i>
<i>Other investments</i>	<i>49.55</i>	<i>585.84</i>
Trade Finance	12715.54	13203.20
Commercial Loans	25886.80	45543.29
<i>External Commercial Borrowing (ECB)</i>	<i>12787.54</i>	<i>27497.41</i>
<i>Commercial Loans other than ECB</i>	<i>13099.26</i>	<i>18045.88</i>
Retail loans	82.61	97.81
Other loans	734.48	752.73
Interbank/ Interbranch placements	14911.60	19290.62
Others	3069.50	4232.63
Total	60248.15	88510.39

Appendix Table 3: Liabilities of IBUs

Month ended	Mar 2024	Mar 2025
Particulars	USD Mn	
Customer deposits	4362.08	7307.10
Interbank/Interbranch borrowings	41949.84	62866.71
Bilateral Borrowings	6312.35	7889.78
Multilateral Borrowings	266.96	500.58
MTN Borrowings and other debt instruments	1911.92	2880.12
Others	5445.00	7066.10
Total	60248.15	88510.39

Appendix Table 4: Customer Deposits (in USD Mn)

Month ended	Mar 2024		Mar 2025	
Deposits	Demand	Time	Demand	Time
Retail deposits	301.14	362.66	939.10	341.32
Corporate deposits	556.72	3141.56	746.30	5280.38
Total	857.86	3504.22	1685.4	5621.7

Appendix Table 5: Customer Deposits

Month Ended	Category (Amount in USD Mn)		Accounts held by Resident Indians	Accounts held by Non-Resident Indians (NRIs)	Accounts held by Non-Residents (Other Countries)
Mar 2025	Retail	No. of accounts	116	7523	989
		Amount	6.66	1150.18	123.58
	Corporate	No. of accounts	2474	562.03	2113
		Amount	1635.77	1588.36	2802.55

Appendix Table 6: ODI Outstanding of IBUs (USD Mn)

Month ended	Mar 2024	Mar 2025
Total ODI amount	310.29	1184.68

Appendix Table 7: Country wise exposure of IBUs

Mar 2024		Mar 2025	
Country Name	%age of total exposure	Country Name	%age of total exposure
India	74.63	India	74.47
USA	4.76	USA	5.94
Mauritius	3.72	UAE	4.22
UK	3.69	UK	3.36
UAE	2.95	Mauritius	2.94
Netherlands	2.65	Singapore	2.56
Singapore	2.60	Netherlands	1.70
Bahrain	1.04	Bahrain	0.69
Hong Kong	0.98	Hongkong	0.48
Germany	0.38	Saudi Arabia	0.37
Others	2.61	Others	3.27

Appendix Table 8: Industry wise credit exposure of IBUs

Month ended		March 2024	Mar 2025
Sector	Industries	Amount Outstanding (USD Mn)	
	Auto Components	285.34	165.59
	Automobile	701.91	462.60
	Capital Goods	220.42	400.63
	Cement and Cement Products	46.52	1178.55
	Electronic Systems	404.55	793.22
	Food Processing	367.81	791.60
	Glass and Glassware	6.77	25.23
	Iron & Steel	282.55	1020.98
	Laminates/ Plywood/ Boards	4.70	14.01
	Leather and Leather Products	2.52	1.61
	Medical and Medical Equipment	255.11	224.37
	Metals	2053.99	2037.58
	Paper and Packaging	58.09	57.23

Month ended		March 2024	Mar 2025
Sector	Industries	Amount Outstanding (USD Mn)	
	Petrochemicals	3934.14	5365.29
	Plastic and Plastic Products	50.95	188.92
	Textiles and Apparels	63.09	290.34
	Vehicles, Vehicle Parts, and		
	Transport Equipment	19.64	297.07
Services	Banking and Finance	17882.08	16129.13
	Clearing Corporation	243.72	241.62
	Education	184.97	159.07
	Financial Services	39.57	3952.94
	Healthcare	31.47	84.95
	IT and Software Industry	487.96	427.23
	Logistics	37.14	109.64
	NBFC	955.34	12596.69
	Professional Services	22.09	84.81
	Retail and e-commerce	228.25	404.76
	Telecommunication	1022.03	1950.83
	Tourism & Hospitality	164.43	257.59
	Trade/Distributor	10.60	468.42
Infrastructure	Construction	767.73	76.81
	Mining	88.40	464.00
	Oil and Gas	1562.15	2498.29
	Ports and Shipping	1265.42	932.91
	Power Sector	1274.24	2235.37
	Renewable Energy	230.24	642.35
	Roads and Highways	22.80	16.76
Agriculture and Forestry		107.19	425.87
Aviation		384.49	318.31
Chemicals		1469.54	1642.86
Jewellery		303.49	414.78
Paints		1.25	0.00
Pharmaceuticals		950.35	703.35
Other Sectors		3174.60	3850.67
Total		41669.64	64404.85

Capital Markets

Appendix Table 9: IFSC Stock Exchanges Turnover (Traded Value in USD Mn)

Month	Mar 2024		Mar 2025	
Particulars	No. of contracts	Traded Value	No. of contracts	Traded Value
Index Futures	1791490	78824.67	2046316	95247.68
Index Options	119736	6.74	83883	55.18
Depository Receipts on US stocks	4,888	0.02	121573	0.57
Total	1916114	78831.43	2251772	95303.43

Appendix Table 10: Aggregate Open Interest (OI) of all derivatives contracts on IFSC Stock Exchanges

As on last trading day of the month	Open Interest (no. of contracts)	Value (USD Mn)
Mar 2024	246888	11091.39
Mar 2025	256266	12004.55

Appendix Table 11: India INX Global Access

Particulars	As on Mar 31, 2024	As on Mar 31, 2025
Total Number of Accounts	3856	4468

Appendix Table 12: Trading in Global Exchanges through India INX Global Access (Traded Value: USD Mn)

Entity Type	Particulars	Till Mar 31, 2024	Till Mar 31, 2025
LRS (Residents)	Equity, ETFs, Funds, Bonds, and other products	12.12	25.29
IFSC Entities	Equity, ETFs, Funds, and other products	467.34	597.91
	Derivatives Products	28,499.95	34,859.46
Non-residents outside IFSC	Equity, ETFs, Funds, and other products	11.50	58.33
	Derivatives Products	172.83	183.17
	Total	29,163.74	35,724.16

Appendix Table 13: Number of Demat Accounts with the Depository

Particulars	As on Mar 31, 2024	As on Mar 31, 2025
Total Number of Accounts	212	65,227

Appendix Table 14: Settlement by Clearing Corporations

Name of Clearing Corporation	Month	Average Daily Settlement ⁷⁸ Value (USD)	Highest Settlement Value ⁷⁹ for the Month (USD)
India International Clearing Corporation (IFSC) Limited	March 2024	Derivatives: 8135.08	Derivatives: 60,786.80
	March 2025	Derivatives: 26,437.43	Derivatives: 100,872.00
NSE IFSC Clearing Corporation Limited ⁸⁰	March 2024	Derivatives: 281,528.60 Cash: 0.13	Derivatives: 866,107.00 Cash: 1.00
	March 2025	Derivatives: 681,690.12 Cash: 10,832.80	Derivatives: 681,690.12 Cash: 10,832.80

Fund Management

Appendix Table 15: Investments by Fund Management Schemes at GIFT IFSC

Type of Schemes	No. of Schemes Registered	In USD Mn					
		As on Mar 31, 2024			As on Mar 31, 2025		
		Investments into India (A)	Investments into Foreign Jurisdictions (B)	Total Investments (A+B) ⁸¹	Investments into India (A)	Investments into Foreign Jurisdictions (B)	Total Investments (A+B) ⁸²
Venture Capital Schemes (including Angel Schemes)	16	12.94	6.77	19.71	27.53	10.28	37.81
Category I and II AIFs	78	2,345.41	122.37	2,467.78	3608.85	661.13	4269.99
Category III AIFs	135	1,196.16	12.36	1,208.52	2084.85	170.41	2255.26
Total	229	3,554.51	141.50	3,696.01	5721.24	841.82	6563.06

⁷⁸ Average Daily Settlement Value = Total Settlement value for the Month /Total number of trading days.

⁷⁹ Highest Settlement Value for the Month = Highest Pay in Amount in single settlement in a month

⁸⁰ Cash values refer to settlement statistics in Depository Receipts on US Stocks.

⁸¹ This excludes exposure towards derivative contracts, cash equivalents, etc. In the case of schemes which are in the nature of fund of funds, cash maintained, and expenses incurred by the master fund are also excluded.

⁸² Ibid

Appendix Table 16: Number of Investors in IFSC Funds

Type of Scheme	As on Mar 31, 2025
Venture Capital Schemes (including Angel Schemes)	469
Category I and II AIFs	1025
Category III AIFs	1508
Total	3002

Note : Investors from more than 50 jurisdictions have contributed across schemes.

Appendix Table 17: Trends of Fund Management Activity

Particulars	USD Mn	
	As on March 31, 2024	As on March 31, 2025
Cumulative commitments raised	8410.49	15742.47
Cumulative funds raised	3948.02	7957.20

Appendix Table 18: Portfolio Management Services (PMS)

Type of Services	As on March 31, 2025	
	As on March 31, 2024	As on March 31, 2025
Discretionary & Non- Discretionary PMS	128	811.19
Advisory Services	45	372.43
Total	173	1183.62

Insurance

Appendix Table 19: Written/ Transacted premium by IFSC Insurance Offices (IIOs) and Intermediary Offices (IIIOs)

Particulars	FY 2023-24		FY 2024-25 (Unaudited)	
	Number of Offices ⁸³	Written/ Transacted Premium (USD Mn)	Number of Offices ⁸⁴	Written/ Transacted Premium (USD Mn)
IIOs	12	149	18	207.70 ⁸⁵
IIIOs	23	276	27	302.60

⁸³Number of offices are as at the end of the particular period

⁸⁴Ibid

⁸⁵Reinsurance data of one IIO is under examination and hence not included

Appendix Table 20: Line of Business wise Direct Insurance Business (Life and General)

Class of Business	Gross Written Premium (in USD Mn) FY 2024-25 (Unaudited)
Aviation	2.78
Fire	6.98
Health + PA	0.33
Life	0.02
Marine Cargo	0.06
Marine Hull	2.51
Trade credit	0.78
Other Misc.	0.02
Total	13.48

Note: The data for FY 2024-25 is unaudited

Appendix Table 21: Line of Business wise Re-insurance Business

Line of Business	Gross Written Premium (in USD Mn) FY 2024-25 (Unaudited)
Engineering	9.43
Fire	47.58
Health + PA	68.14
Health Insurance	20.79
Liability	1.62
Marine Cargo	4.84
Marine Hull	3.88
Motor	22.26
Other Misc.	0.02
Personal Accident	0.03
WC/EL	10.99
Life Re	1.48
Total	191.07

Note: The data for FY 2024-25 is unaudited

Appendix Table 22: Claims data (Retail / Re-insurance)

Particulars	FY 2024-25	
	No. of Claims	Claim Amount (in USD Mn)
Claims pending at the beginning	3,060	12.32
New Claims registered	68,070	90.83
Claims settled	67,490	75.07
Claims rejected	1318	0.00
Claims outstanding at the end	2,322	28.08

Note: 1) The data for FY 2024-25 is unaudited 2) No. of Claims and Claim amount includes for retail insurance business and re-insurance recoveries

FinTech

Appendix Table 23: FinTech Ecosystem in IFSC

S. No.	Particulars	Cumulative till March 31, 2024	Cumulative till March 31, 2025
1	Number of Sandbox Entities	44	27
	In Innovation Sandbox ⁸⁶	28	22
	In Regulatory Sandbox	16	5
2	Number of FinTech/ TechFin Entities Authorized	8	16
3	Number of Accelerators Authorized	0	2
4	Number of Entities exited from Sandbox	0	23 ⁸⁷

⁸⁶ Including accelerators

⁸⁷ The data has been revised as per the latest available records



Notes

[illegible]

Notes

Notes

International Financial Services Centres Authority
Annual Report Team 2024-25

Dipesh Shah, Executive Director
Kamlesh Rathod, General Manager
Chirag Ravat, Assistant Manager
Udisha Sharma, Young Professional



International Financial Services Centres Authority

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