Decisions taken in the 29th IFSCA Authority Meeting dated 24.7.2026

The 29th meeting of the IFSCA Authority (Authority) was held on July 24, 2026. The Authority, *inter alia*, approved the following:

1. **Amendment to IFSCA (Capital Market Intermediaries) Regulations, 2025 pertaining to Credit Rating Agencies**

The Authority approved the proposal to amend IFSCA (Capital Market Intermediaries) Regulations, 2025 with respect to withdrawal of credit ratings by Credit Rating Agencies registered with the IFSCA. The amendment is to align the regulatory framework governing withdrawal of credit rating by Credit Rating Agencies with global best practices.

2. **IFSCA (Prohibition of Market Abuse in Securities Markets) Regulations, 2026**

One of the core objectives of a financial sector regulator is to ensure that the markets are fair, efficient and transparent that protects the interests of investors. In order to maintain confidence, trust, and integrity in the securities market in the IFSC, it is essential to promote fair market conduct.

In this regard, the Authority has approved the International Financial Services Centres Authority (Prohibition of Market Abuse in Securities Markets) Regulations, 2026 providing a unified framework for prohibition of insider trading and fraudulent, manipulative and unfair trade practices in the securities market.

3. **Amendments to IFSCA (Fund Management) Regulations, 2025 to facilitate ease of doing business in IFSC, provide greater disclosures and enhance clarity**

The Authority has approved certain amendments to the IFSCA (Fund Management) Regulations, 2025, primarily aimed at promoting ease of doing fund management business in GIFT IFSC, strengthening investor protection through enhanced disclosures, and providing greater regulatory clarity on certain aspects. These amendments are based on the feedback received through Chintan Shivir and other interactions with the industry participants, supervisory experience of Authority, public consultation and recommendations of the Fund Management Advisory Committee.

The following key amendments have been approved:

A. Independent Valuation

1. To reduce the operational burden on Fund Management Entities (FMEs), the periodicity for computation and disclosure of Net Asset Value (NAV) by close-ended Restricted Schemes may be enhanced by the FME from semi-annual to annual, subject to prior approval of at least 75% of the investors in the scheme by value of their investments.

2. Further, the requirement of obtaining an independent valuation of the portfolio of Venture Capital Schemes (VC Schemes), Restricted Schemes and Retail Schemes shall be relaxed for the investments made in underlying scheme(s) which are valued by an independent entity.

B. Contribution by FME / Associates

1. To facilitate FMEs in building a track record of performance in the overseas markets, in place of the existing limit of 10%, FMEs and their associates having Indian ultimate beneficial owners shall be permitted to contribute up to 25% of the corpus of VC schemes and Restricted Schemes, where such scheme(s) are investing only in IFSC or foreign jurisdictions.

2. The exemption from the requirement of minimum contribution by the FMEs and their associates shall be expanded to also include those Restricted schemes and Retail schemes which are either Index Schemes or Fund of Funds Schemes investing in Index Schemes or passive Exchange Traded Funds (ETFs), subject to appropriate disclosures.

3. With respect to the exemption from the contribution requirement for FME/Associate in case of Fund of Funds schemes, it shall be clarified that such automatic exemption shall be available only if no active fund management is involved.

C. Venture Capital Schemes

VC Schemes shall be permitted to participate in subsequent rounds of fund raising by their investee companies even after such companies have completed ten years from incorporation, subject to specified conditions.

D. Retail Schemes

The extant sectoral concentration limits applicable to Retail Schemes shall be exempted for the Funds of Funds Schemes investing in underlying schemes that are regulated by the concerned financial sector regulator and permitted for offering to retail investors in their home jurisdictions.

E. Appointment of Auditor

To promote ease of doing business for the FMEs and schemes established by Governments and Government-related investors, such as Sovereign Wealth Funds, where such investors are the sole contributors, directly or indirectly, a common auditor may be appointed for such FME and its schemes.

F. ESG Disclosures by FME

For sustainability-related disclosure requirements applicable to FMEs having Asset Under Management (AUM) exceeding USD 3 billion as at the close of a financial year, the AUM of Funds of Fund Schemes shall be excluded while determining the prescribed threshold.

G. Timeline for Annual Report of Scheme

The timeline for submission of the Annual Report of Schemes to the Authority and the investors shall be extended from four (4) months to six (6) months from the end of the financial year.

H. Investor Approval

To facilitate operational efficiency, approvals of investors for certain matters may be obtained through disclosures in the PPM and the agreement executed with the investors.

I. Measures for Strengthening Investor Protection and Regulatory Governance

1. The indicative list of disclosure requirements in the Offer Document of Retail Schemes shall be expanded to also include disclosures pertaining to the methodology of NAV computation and conflicts of interest.

2. Various internal policies, frameworks, etc. which are required to be put in place by the FME under the FM Regulations shall be approved by the governing body of the FME or by such committee or official(s) to whom such powers have been delegated by the governing body.

3. Temporary deployment of monies under a VC Schemes, Restricted Scheme and Retail Scheme prior to such scheme achieving the minimum corpus / funds raised, shall be permitted in such instruments that support the preservation of capital and adequate liquidity, with prior disclosures in the Private Placement Memorandum (PPM) or offer document.
4. The scope of the definition of "associate" shall be expanded to appropriately cover natural persons and juridical persons which are not in the form of body corporate having a direct economic interest.

J. Other Measures

1. With respect to the commencement of NAV and portfolio disclosure timelines, clarity shall be provided by linking such disclosures to the commencement of investment activities, excluding temporary deployment of monies in permitted instruments.

2. The extant timeline for appointment of key service providers (Fund Administrator, Auditor) shall be relaxed by requiring such appointments to be completed before the execution of the agreement with any investor in the scheme, while also including other

service providers (Valuer, Custodian) under this requirement. The fiduciary shall ensure compliance with the prescribed timelines.

4. Regulatory Framework for differential distribution in Restricted Schemes and Venture Capital Schemes to facilitate blended finance and other fund structures

The World Economic Forum and the OECD define 'blended finance' as *"…the strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets…"*. As per the recent report[1] of NITI Aayog, India's commitment to achieve net-zero emissions by 2070 is estimated to require financing of approximately USD 22.7 Tn with financing gap of USD 6.5 Tn. Further, International Finance Corporation, in its report[2], has highlighted the significance of blended finance instruments, in scaling up private finance to support India's climate and developmental goals.

The Authority has approved an enabling provision under the IFSCA (Fund Management) Regulations, 2025 and a regulatory framework for differential distribution in Restricted Schemes and Venture Capital Schemes to facilitate blended finance and other fund structures ("Regulatory Framework"). The Regulatory Framework was prepared based on the recommendations of the Expert Committee on Sustainable Finance set up by IFSCA, representations received from industry, comments made by the public in response to a consultation paper and recommendations of the Fund Management Advisory Committee.

Some of the salient features of the Regulatory Framework are as under:

i. Venture Capital Schemes and Restricted Schemes under IFSCA (Fund Management) Regulations, 2025 shall be permitted to issue multiple classes of units with differential distribution rights. Junior / Subordinate classes of units may carry returns lower than or bear losses higher than their entitlement.

ii. The minimum investment under junior classes of units for such schemes shall be USD 1 Mn from Accredited Investors (non-individual) or USD 2 Mn from other investors. If a

1 Niti Aayog - A Study Report on Scenarios Towards Viksit Bharat and Net Zero: An Overview (VOL. 1)
2 IFC Report on Blended Finance for Climate Investments in India

scheme is set up as an ESG Scheme, it may accept funds from their investors in the form of grants, subject to certain conditions.

iii. FME and Key Managerial Personnel shall carry out specific due diligence to ensure the compliance with the laws of Government of India, Authority or any other Indian regulator.

iv. PPM shall adequately and prominently disclose details regarding the multiple classes of units, their rights in distribution along with risks due to such structures.

5. IFSCA (Electronic Trading Platform) Regulations, 2026

The Authority approved the regulatory framework for International Financial Services Centres Authority (Electronic Trading Platform) Regulations, 2026 ("the Regulations") in exercise of powers under section 45W of the Reserve Bank of India Act, 1934 read with section 13(1) of the International Financial Services Centres Authority Act, 2019. The framework aims to create a dedicated framework for Electronic Trading Platforms ('ETPs') in IFSCs, aligned with global norms, with an aim to enable technology-driven trading venues while ensuring sound governance, transparency, market integrity, and oversight, thereby supporting efficient price discovery, better liquidity, and IFSC's competitiveness as a global financial centre. The framework also intends to provide market participants regulatory clarity, aligning IFSC's approach with both international best practices and India's domestic ETP framework, adapted for the international nature of IFSCs.

6. Revamped draft IFSCA (Setting up and Operation of International Branch Campuses) Regulations, 2026 approved in 29th meeting of IFSC Authority.

The International Financial Services Centres Authority (IFSCA) in its 29th meeting held on July 24, 2026 has approved revamped draft IFSCA (Setting up and Operation of International Branch Campuses) Regulations, 2026, which will replace the existing IFSCA (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022. In the revamped regulations, several provisions have been introduced to strengthen the regulatory framework, safeguard the interest of students and enhance the attractiveness of GIFT IFSC as a preferred destination for eligible Foreign Higher Educational Institutions to set up and operate International Branch Campuses in IFSC.

2. In the Union Budget for FY 2022-23, the Hon'ble Finance Minister announced that foreign universities and institutions would be permitted to offer courses in financial management, fintech, science, technology, engineering, and mathematics in GIFT City-IFSC. Pursuant to the Budget announcement, IFSCA vide gazette notification dated October 11, 2022, issued IFSCA (Setting up and operation of International Branch Campus and Offshore Education Centre) Regulation, 2022. Under the extant regulations, three foreign universities have been granted certificates of registration and have commenced academic operations from their IBCs in GIFT IFSC.

3. In order to further strengthen the regulatory architecture governing IBCs and facilitate ease of doing business, IFSCA had initiated a public consultation exercise in November 2025 seeking suggestions from the public and stakeholders on the existing regulations. Based on the feedback received and the evolving higher education landscape, the revamped IFSCA (Setting up and Operation of International Branch Campuses) Regulations, 2026 were prepared, which have now been approved by the IFSC Authority Board.

4. In the revamped regulations, several provisions have been added to strengthen the regulatory framework governing IBCs, safeguard the interest of students and enhance the attractiveness of GIFT IFSC as a preferred destination for eligible foreign universities and institutions to establish their branch campuses. Some of the major highlights of the new regulations include-

a) Concept of Foreign Higher Educational Institutions (FHEI) has been introduced, which includes foreign universities as well as a foreign educational institution, that have the power to award degrees/qualifications.
b) Academic Infrastructure Service Provider (AISP) model has been given explicit recognition under the regulations
c) 'Course' has been defined to include both degree and non-degree executive programmes.
d) The eligibility criteria for FHEI has been expanded to include other global rankings.
e) All applications for IBCs have to be now made through IFSCA's SWIT Portal
f) Timelines have been stipulated for processing of applications for setting up an IBC.
g) Timelines for in-principle approval for an IBC have been extended so that sufficient time is available for putting in place suitable campus infrastructure in IFSC.

h) Registration granted by IFSCA for the IBC will now be valid unless suspended or cancelled by the Authority or voluntarily surrendered by the Parent Entity.
i) Clarity has been provided on how much of the course can be delivered in online/virtual mode by the IBC.
j) Provision for constitution of Grievance Redressal Committee has been introduced to protect interest of students.
k) IBCs have been permitted to receive fee from students in INR, provided the same is converted to any of the permitted foreign currencies by the IBC within a timeline, as specified by the Authority.

The notifications will be released in due course on www.ifsca.gov.in

July 28, 2026
Gift City, Gandhinagar

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