



**General Manager
Capital Markets Department
Division of Corporate Finance**

File No. IFSCA-PLNP/41/2025-Capital Markets

August 20, 2025

LGT Wealth India Private Limited

IFSC Branch Office, Unit No. B_113 & B_114,
Plot No. T1 & T4, Ground Floor, Neela Spaces Limited,
N-A Road 1A, Block 11, Zone 1, SEZ-PA,
GIFT City, Gandhinagar-382050

Dear Sir,

Subject: Request for Informal Guidance by way of Interpretative Letter under the IFSCA (Informal Guidance) Scheme, 2024 by LGT Wealth India Private Limited (IFSC Branch) in relation to regulatory framework for Distributors

- 1) This has reference to your application dated June 06, 2025 and subsequent submissions made in response to the queries raised on the captioned subject.
- 2) You have, *inter alia*, represented as follows:

LGT Wealth India Private Limited is registered with SEBI as Portfolio Manager and is also registered as Distributor of Mutual Funds and PMS products with AMFI and APMI.

IFSC Branch of the LGT Wealth India Private Limited is registered as a Non-Retail Fund Management Entity.

The request is made for guidance regarding distribution of capital market products and services (such as funds launched by other entities in the IFSC) to eligible clients through the head office in Mumbai or through the IFSC entity with separate registration as Distributor.

- 3) In view of the above, you have sought guidance on the following queries:

Query 1: Eligibility to Distribute from Non-GIFT City Office:

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



“Whether our Head Office in Mumbai, which is registered with SEBI and relevant distribution bodies (AMFI/APMI), may distribute financial products registered with IFSCA (such as funds launched by other GIFT City entities), in accordance with applicable regulations. For clarity, we confirm that the distribution activity, if permitted, would be conducted solely from the Mumbai Head Office, and the GIFT City Branch (registered as a Non-Retail FME) will not be involved in such distribution activities.”

Query 2: Separate Distributor Registration for FME (Non- Retail)

“Whether an entity registered as a Fund Management Entity (Non-Retail) under the IFSCA (Fund Management) Regulations, 2022, may also obtain a separate Distributor registration under the IFSCA (Capital Market Intermediaries) Regulations, 2025, specifically for the purpose of distributing third-party IFSCA-registered financial products. Additionally, we seek guidance on the operational and regulatory safeguards, if any, that must be instituted to ensure adequate compliance in case both fund management and distribution functions are undertaken by the same legal entity.”

- 4) In this regard, the Division of Corporate Finance has considered the queries raised in your application and the subsequent submissions made by you, and hereby expresses its views as follows:

Query 1: Eligibility to Distribute from Non-GIFT City Office

Response:

Para 8.3 of the ‘Master Circular for Distributors in the IFSC’, dated August 05, 2025, states that:

An entity that undertakes distribution of capital market products or services offered by issuers and service providers set up in the IFSC but does not set up operations in an IFSC shall be required to comply with the code of conduct as specified under clause “F. Distributors” under Part B of Schedule II of the IFSCA (Capital Market Intermediaries) Regulations, 2025.

Further, clause “F. Distributors” under Part B of Schedule II of the IFSCA (Capital Market Intermediaries) Regulations, 2025, *inter alia*, mentions the following:

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



18. A registered distributor shall take all reasonable steps to avoid conflicts of interest (whether actual or perceived) and develop appropriate policies and procedures to identify, manage, monitor and, where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of the clients.

In light of the above, it may be construed that LGT Wealth India Private Limited through its Head Office in Mumbai, may be eligible to distribute the permitted 'capital market products and/or services' issued by any Regulated Entities in the IFSC, subject to complying with the Code of Conduct specified in clause "F. Distributors" under Part B of Schedule II of the IFSCA (Capital Market Intermediaries) Regulations, 2025. Further, LGT Wealth India Private Limited shall be required to take all reasonable steps to avoid conflicts of interest (whether actual or perceived) and develop appropriate policies and procedures to identify, manage, monitor and, where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of the clients.

Query 2: Separate Distributor Registration for FME (Non- Retail)

Response:

LGT Wealth India Private Limited may apply for seeking registration as a "Distributor" in accordance with the requirements specified under the IFSCA (Capital Market Intermediaries) Regulations, 2025.

In respect of an entity that is already registered as a Fund Management Entity (FME) with the Authority under the IFSCA (Fund Management) Regulations, 2025, the registration to the same entity as "Distributor" shall be subject to conditions as may be imposed by the Authority to ensure that the conflicts of interest are adequately mitigated. Based on the facts of the matter, some of the indicative conditions that may be imposed while granting registration as "Distributor" are as follows:

- a) Segregation of the manpower deployed for these activities, i.e., staff involved in the fund management activities should not participate in the distribution activities and vice-versa. Accordingly, the Principal Officer and employees involved in business activities of FME and Distribution should be segregated.

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



- b) Segregation of systems, processes, records, bank accounts etc. between both the activities.
- c) The entity shall have a policy, approved by its governing board, on dealing with conflict of interest. The entity shall take reasonable steps to ensure that the existing and potential conflicts of interest between:
- i. itself and its clients; and
 - ii. one client and another client
- are identified and then prevented or managed in such a way that the interests of the clients are not adversely affected.
- 5) The above position is based on the information furnished in your application and subsequent submissions in this regard. Different facts or conditions might lead to a different interpretation. This letter does not express the decision of the IFSCA (herein after referred as 'Authority') on the queries raised through your letter.
- 6) You may also note that the above views are expressed only with respect to the guidance sought in your application pertaining to the IFSCA (Capital Market Intermediaries) Regulations, 2025 and circulars/guidelines issued thereunder, and do not affect the applicability of any law and any other regulations, guidelines and circulars framed or administered by the Authority or laws administered by any other body, authority, organisation, etc.

Yours sincerely,

Arjun Prasad

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