



PRESS RELEASE

International Financial Services Centres Authority (Finance Company), Regulations, 2021

International Financial Services Centres Authority (IFSCA) has been established as a unified regulator with a holistic vision to develop and regulate the financial services market in the International Financial Service Centres (IFSCs) in India which will promote ease of doing business and provide world class regulatory environment in IFSCs. The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the global economy. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI were regulating the business in IFSCs.

2). At present, only the banking units which are set up as branches of their parent bank are functioning in the lending space in IFSCs. Global experience however has shown that non-banking financial institutions complement the role of banking in providing finance, innovative products and services in such space and thus play an important role in the development of a financial centre.

3). In view of the important role played by such institutions in the development of the economy, IFSCA has decided to permit 'finance company' and 'finance units' to provide financial services in IFSCs after obtaining registration from it.

4). The IFSCA (Finance Company) Regulations, 2021 intend to provide a competitive regulatory environment in comparison to other international financial centres and at the same time envisage to bring in the prudence in business operations similar to those of banks. **Draft IFSCA (Finance Company) Regulations, 2021 have been uploaded on the IFSCA website at the URL <https://ifsc.gov.in/PublicConsultation>.**

5). Comments on the draft regulations are invited from market participants and other stakeholders to reach IFSCA at email riddhi.bhandari@ifsc.gov.in within 21 days from today.

Gandhinagar
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