



International Financial Services
Centres Authority (IFSCA)



सत्यमेव जयते
Government Of India

Finance Company

The India Opportunity



Maximising the India Opportunity

Fastest Growing Large Economy & Stable Democracy

Key Achievements

- GDP currently at USD 3.94 Tn
- Exports of USD 779 Bn in FY23-24



High Real GDP Growth Rate of
8.2% FY 23-24



5th largest economy;
To be 3rd largest by FY28



Gross FDI inflows reached
USD 70.09 Bn in FY 24

Key Achievements

- 77 years of Democracy
- Strong Institutions – Parliament, Media, Judiciary



Youngest population : 65% of
population under **35 years of age**



Average real income of citizens has
increased by 50% in the last decade



Manufacturing sector
contributed **15%** to Nominal GVA
in Q4, FY 24

Viksit Bharat@2047 – Developed India@2047

Inclusive Sustainable Growth for the World's Largest Democracy



Potential Growth of 7+% over next 25 years



Per Capita Income to grow 9x to ~USD 22,000



Industry share to rise from 17%→25% of GDP



Exports to grow x5 to USD 8 Tn. by 2047



Net Zero Transition by 2070: USD 10 Tn

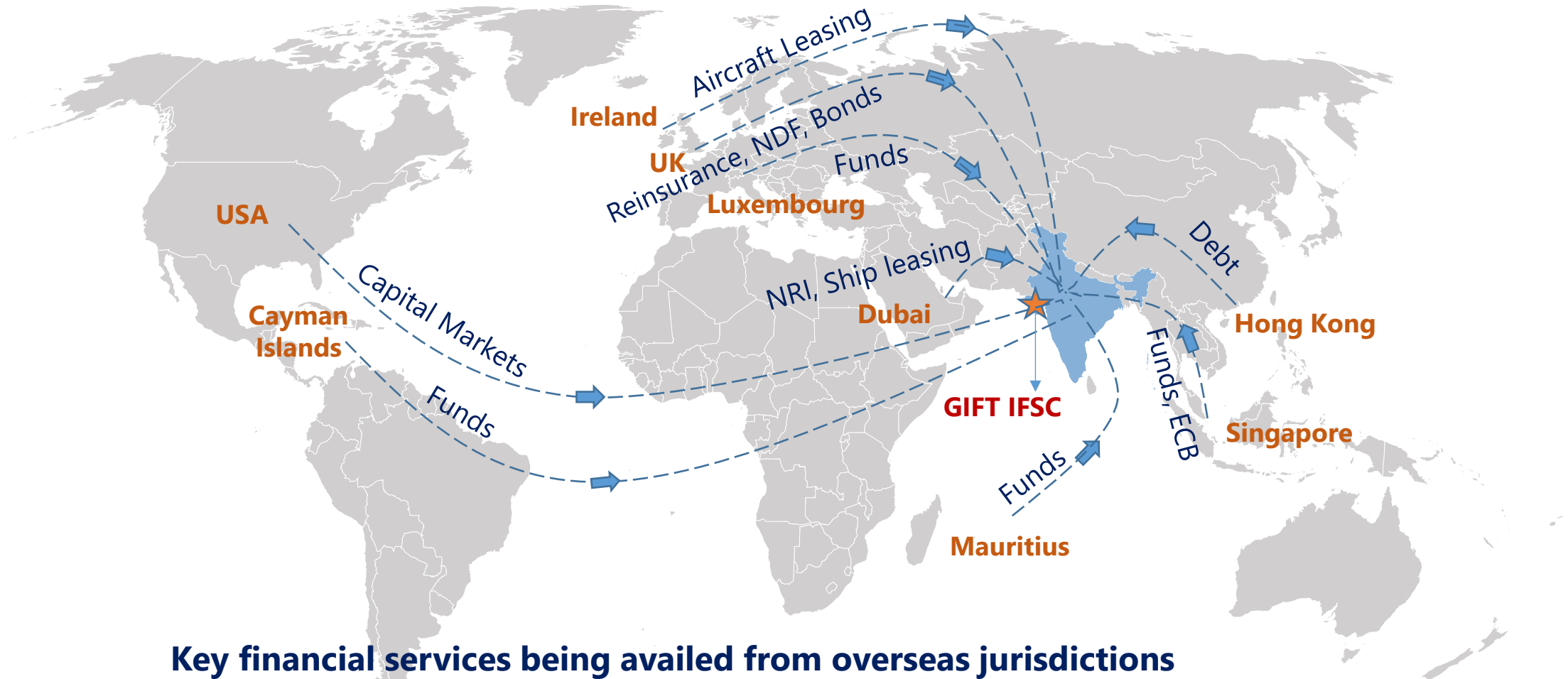
GIFT City and IFSC Opportunity

5.41



IFCs catering to India's demand for International Financial Services

GIFT IFSC: Onshoring the Offshore International Financial Services



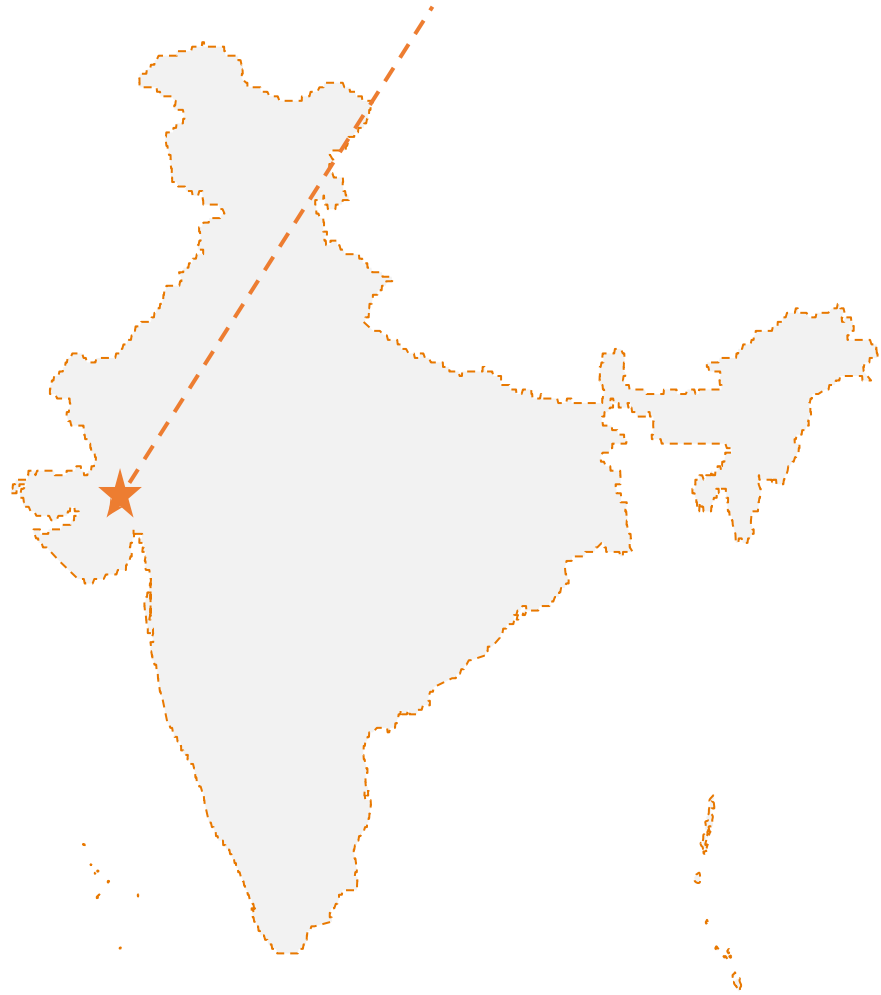
Banking Services: ECB, Trade Finance, Non-Deliverable Forwards & Loan syndication	Funds Industry: Pooling of global capital by Pvt. Equity/ VC Funds/ Hedge Funds for investments into India	Capital Mkts: Issuance & listing of Bonds including ESG bonds, trading of Indian securities & products	Insurance: Reinsurance business Aircraft & Ship Leasing business
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Objectives of GIFT IFSC

- 1 Onshore international financial services business from offshore centres such as Singapore, Hong Kong, Dubai, London, etc.
- 2 Serve as a dominant gateway for channelizing global capital for **Viksit Bharat @ 2047**
- 3 Develop expertise in niche and specialized businesses such as aircraft & ship leasing, fintech, global treasury centres, commodity trading, etc.
- 4 Provide high quality employment opportunities to the talented Indian workforce

GIFT City and IFSC

India's 1st Operational Smart City & IFSC



27.70 Mn Sq ft	12.99 Mn Sq ft	20
Total development rights allotted	Area under development	Number of Operational Buildings

- GIFT City is divided into two zones:
 - a. Special Economic Zone (IFSC Zone)
 - b. Domestic Tariff Area (Domestic area)
- Greenfield smart city
- Land parcel size: 886 acres
- Social Infra – Hotels, Hospitals, Schools, etc
- ‘Walk to work concept’ – Residential & Riverside

Vision for GIFT IFSC



Hon'ble Prime Minister of India
Sh. Narendra Modi

“We want to make GIFT City the Global Nerve Center of **New Age Global Financial and Technology Services**”

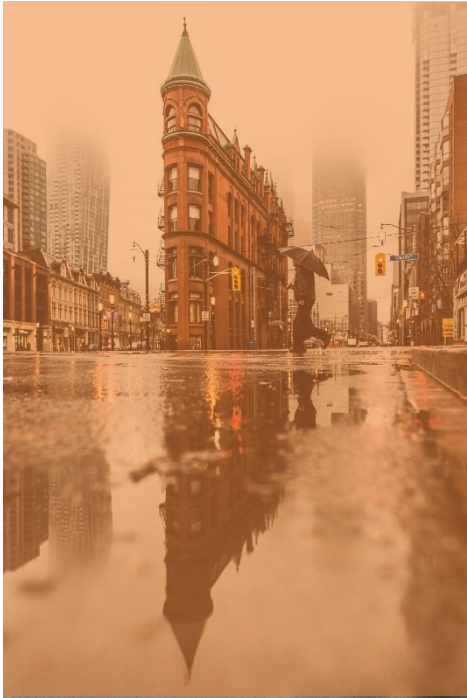
“GIFT IFSC's **cutting-edge digital infrastructure** provides a platform that enables businesses to increase efficiency”

“GIFT City is an important gateway to **connect India with global opportunities...**”

Jurisdictional Comparison

Jurisdiction	Foreign jurisdiction (rest of the world)	IFSC SEZ (India)	India DTA (India)
FEMA	Offshore Non-Resident	Offshore Non-Resident	Onshore Resident
Currency	Respective Int'l Currency	15 Currencies (INR Not Permitted)	INR denominated
Tax	Offshore	Tax Holiday (Tax Resident)	Taxes as applicable
Law	Resident's Jurisdiction	Indian Jurisdiction	Indian Jurisdiction

GIFT IFSC: Unique and Distinct Features



Dedicated & Unified
Financial Regulator

No capital controls

Full Convertibility with
15 foreign currencies

Globally benchmarked
regulations

Attractive Tax Regime

Sovereign support,
including carve outs



Competitive Advantage

- Access to large hinterland Indian economy (**Hinterland advantage**)
- Beneficial cost of operations (**Cost advantage**)
- Availability of skilled talent pool (**Talent advantage**)

Competitive tax regime

1

Tax Holiday on Business Income for 10 out of 15 years

2

Minimum Alternate Tax* @ 9%

3

No CTT**/STT**/GST**/Stamp Duty

4

Reduced Withholding Tax of 9% on interest paid on Debt Instruments

5

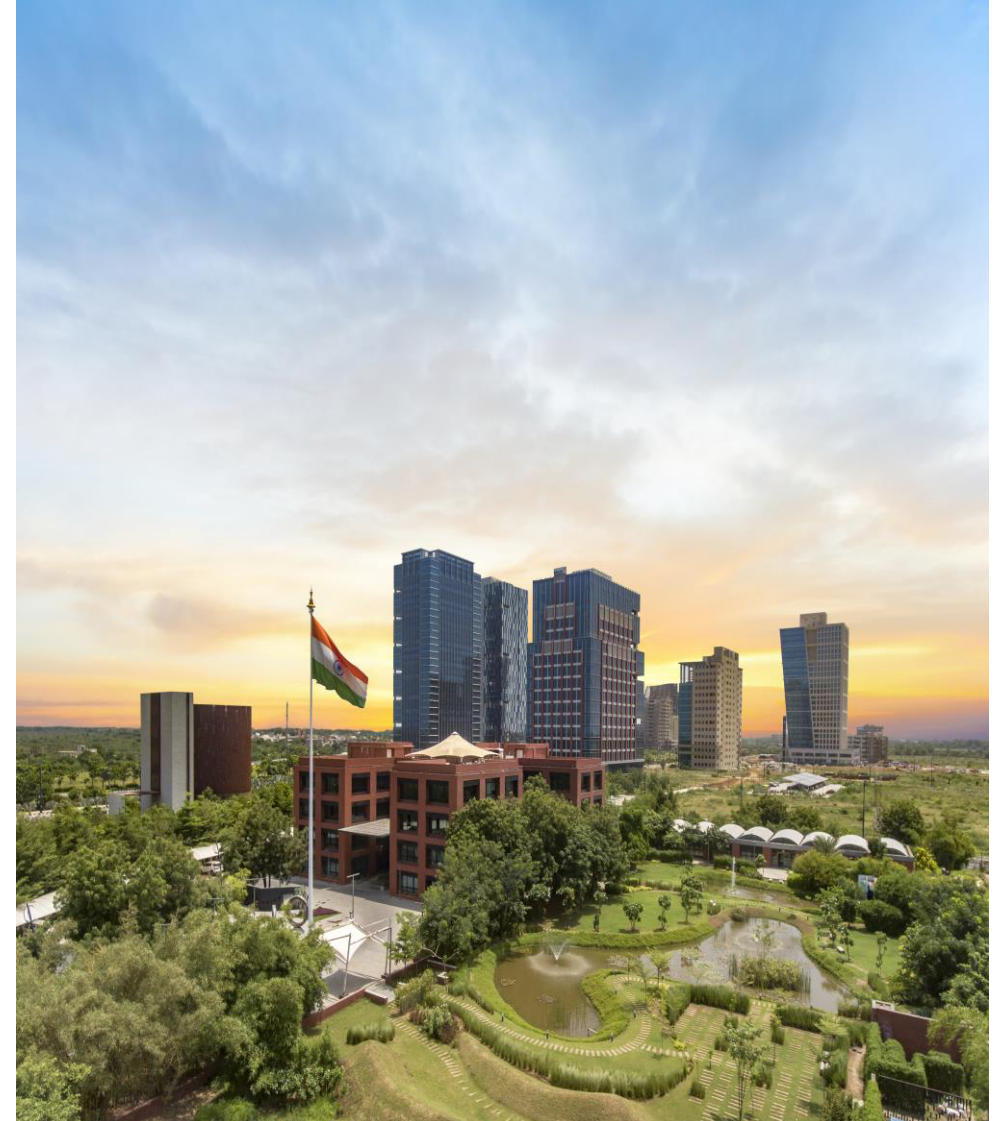
Competitive Tax Regime for Funds

6

Incentives under Gujarat IT/ITeS Policy (2022-27)

*MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BA of Income Tax Act, 1961

**CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax



IFSC: Business activities

Banking

- Indian Banks (16)
- Foreign Banks (12)
- Global Administrative Office (1)
- Rep. Offices

Capital Market

- Stock Exchanges (2)
- Clearing Corporation (2)
- International Depository (1)
- Broker Dealers (82)
- Investment Bankers (3)
- Custodians (5)
- Depository Participants (10)
- Clearing members (22)

Asset management

- Fund Management Entities (137)
- Alternate Investment Funds (189)
- Investment Advisers (3)
- Portfolio Managers (19)
- Distributors (10)

Insurance

- Indian & Foreign Insurer (12)
- Indian & Foreign Reinsurer (3)
- Insurance Intermediaries (24)
- Insurance Web-Aggregators

Niche Institutions

- International Bullion Exchange
- Finance Companies (6)
- Global Treasury Centre (3)
- ITFS Platform (4)
- Aircraft Leasing & Financing (32)
- Ship Leasing & Financing (21)

Emerging businesses

- Foreign Universities (2)
- Global Fintech Hub (57)
- Global in-House Centres (3)
- Professional Service Providers (83)
- Payment Service Providers (2)
- BATF Service Provider

Figures in brackets are the number of entities authorized by IFSCA

Business Highlights: GIFT IFSC



725 +

Number of IFSCA Registered*
Entities till Nov. 2024



\$ 87 Bn

Monthly turnover on IFSC
International Stock Exchanges in
Nov. 2024



\$ 71 Bn

Total Banking Asset Size in Nov.
2024



137

Number of Funds Management
Entities registered till Nov. 2024



\$ 63 + Bn

Cumulative Debt Listing on IFSC
Exchanges till Nov. 2024



\$ 1048 Bn

Cumulative Banking transactions till
Nov. 2024



184

Aviation Assets leased from IFSC till
Nov. 2024



\$ 45 + Bn

Total targeted corpus of
Alternative Investment Funds till
Nov. 2024



\$ 40 Bn

Derivative Transactions booked by
banks in Nov. 2024

Key highlights of IFSCA (Finance Company) Regulations, 2021

- ❑ The IFSCA (Finance Company) Regulations, 2021 (as amended), permits an entity to register as a Finance Company (FC)/ Unit (FU).
- ❑ FC/FU are the financial institutions either separately incorporated/ set up as a branch provided it does not accept public deposits and is not licensed with the Authority as a Banking unit.
- ❑ A Finance Unit (FU) can be Set up for undertaking permitted core activities if the applicant (i.e. the promoter entity) is engaged in the business of financial services, is regulated by a financial sector regulator in its home jurisdiction and has obtained a No-Objection Certificate from that regulator for setting up a Finance Unit in the IFSCs, wherever applicable. However, this requirement does not apply to Finance Units engaged in non-core activities, such as ship leasing.
- ❑ **Mode of business:** A Finance Company can be set up either as a subsidiary or a joint venture, or as a newly incorporated company under the Companies Act, 2013, or in any other form as may be specified by the Authority from time to time.
- ❑ **Currency:** The entity can deal in any freely convertible foreign currency as specified by IFSCA and it is permitted to defray its administrative expenses in INR.

Permitted activities under IFSCA (Finance Company) Regulations, 2021

- **Permitted Core Activities:**

- a) Lend in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease, and sale and purchase of portfolios;
- b) Undertake investments, including subscribing, acquiring, holding, or transferring securities or such other instruments, as may be permitted by the Authority;
- c) Buy or Sell derivatives;
- d) Global/Regional Corporate Treasury Centres; (Regulated under the Framework for Undertaking GRCTC) and
- e) Any other core activity as may be permitted by the Authority.

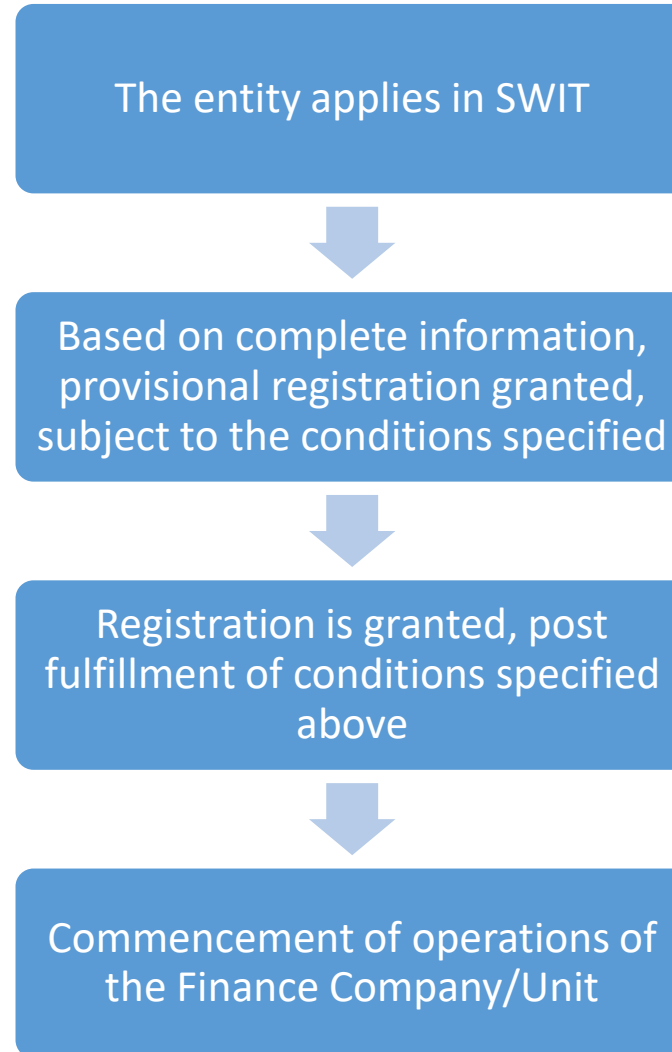
- **Permitted Non-core Activities:**

- a) Aircraft Leasing (Regulated under the respective Framework for Aircraft Lease).
- b) Ship Leasing (Regulated under the respective Framework for Ship Leasing)
- c) International Trade Financing Platform Services (ITFS) (Regulated under Guidelines on Setting up and operation of ITFS platform, 2024)
- d) Holding Company (i.e. any permitted activity without customer interface).
- e) Other activities (Regulated under the respective Capital Markets Frameworks)

Key highlights of IFSCA (Finance Company) Regulations, 2021

Type	Prudential Norms	Minimum Owned Funds	Corporate Governance
Core Activity	<ul style="list-style-type: none"> ▪ Capital Adequacy Ratio: Minimum capital ratio at 8% of its regulatory capital to its risk-weighted assets ▪ Exposure Ceiling: To a single counterparty or group of connected counterparties shall not exceed 25% of its available eligible capital base without the approval of the Authority. ▪ Liquidity Coverage Ratio: Maintain LCR on a stand-alone basis at all times. In the case of a Finance Unit, the LCR may be maintained by the parent entity, with specific approval of the Authority. ▪ An entity undertaking GRCTC is exempted from these prudential norms, but it is required to <ol style="list-style-type: none"> a) Board approved prudential policy. b) Meet the Fit and proper criteria set out by the Authority. 	<ul style="list-style-type: none"> ▪ USD 3 million for all core activities (except GRCTC). ▪ USD 0.2 million for GRCTC. 	<ul style="list-style-type: none"> ▪ As per applicable guidelines to Companies Act and specified guidelines on corporate governance and disclosure requirements by the Authority.
Non- Core Activity	<ul style="list-style-type: none"> ▪ These norms are exempted, but it is subject to the entity's Board approved prudential policy. 	<ul style="list-style-type: none"> ▪ USD 0.2 million 	<ul style="list-style-type: none"> ▪ This policy is exempted subject to entity's promoters/directors meeting the Fit and Proper criteria set out by the Authority.

Setting up a Finance Company/Unit in IFSC



THANK YOU