



Government Of India



International Financial Services
Centres Authority (IFSCA)

Overview on Opportunities in GIFT IFSC

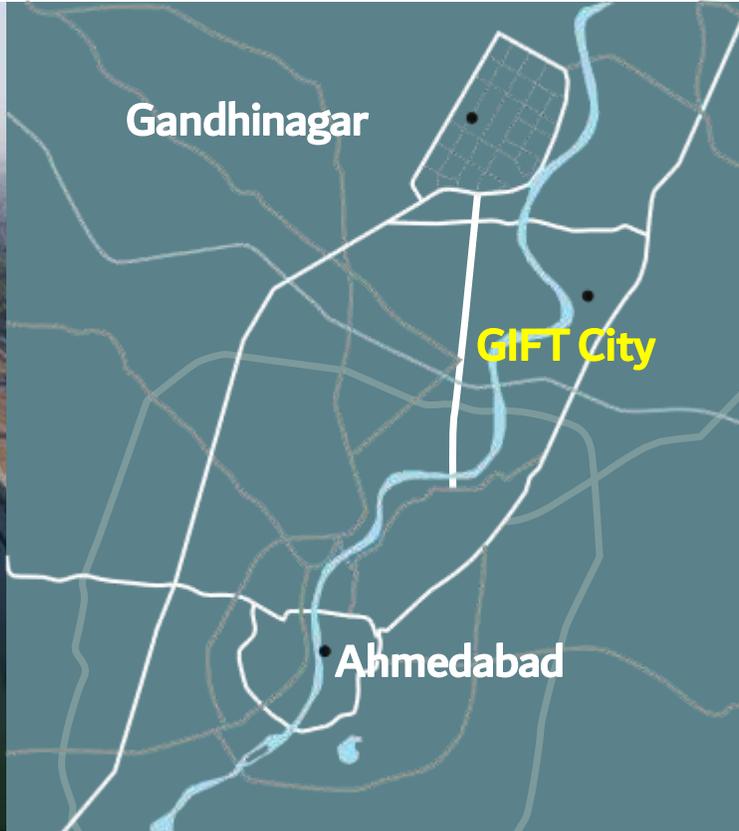
International Financial Services Centre, GIFT City

Ministry of Finance, Government of India
Gandhinagar, GUJARAT INDIA

CONFLUENCE OF TRI-CITIES



International Financial Services
Centres Authority (IFSCA)



- 20 Mins from Ahmedabad International Airport.
- 15 Mins from Nearest Railway Station.

- Metro/E-Buses Connectivity to Ahmedabad
- Mumbai Ahmedabad High Speed Bullet Train

VISION OF HON'BLE PRIME MINISTER 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**...When you integrate with GIFT City, you will integrate with the whole world”

GIFT IFSC: UNIQUE FEATURES



International Financial Services Centres Authority (IFSCA)

Principle based
Best-in-class regulations
(Globally Benchmarked)



Full-fledged financial
ecosystem with global
connects

Full Convertibility – 11
currencies permitted



**GIFT
International
Financial
Services Centre
(IFSC)**



Unified Regulator
(powers of 4 Domestic Fin
Sector Regulators)

Globally Benchmarked
Tax Regime



Special carve outs from
domestic laws

Competitive Edge

1. Access to large hinterland (Hinterland advantage)
2. Beneficial cost of operations (Cost advantage)
3. Availability of skilled talent pool (Talent advantage)

GIFT IFSC

Business Activities



International Financial Services
Centres Authority (IFSCA)



BANKING

- Indian Banks (16)
- Foreign Banks (10)
- Global Administrative Office (1)
- Rep. Offices



CAPITAL MARKET

- Stock Exchanges (2)
- Clearing Corporation (2)
- International Depository (1)
- Broker Dealers (72)
- Custodians (5)
- Depository Participants (9)



ASSET MANAGEMENT

- Fund Management Entities (95)
- Alternate Investment Funds (104)
- Investment Advisers (6)
- Portfolio Managers (10)
- Distribution Services (6)



INSURANCE

- Indian & Foreign Insurer (6)
- Indian & Foreign Reinsurer (1)
- Insurance Intermediaries (21)
- Insurance Web-Aggregators



NICHE INSTITUTIONS

- International Bullion Exchange (1)
- Finance Companies (6)
- **Global Treasury Centre (2)**
- ITFS Platform (3)
- Aircraft Leasing (28)
- Ship Leasing (10)



EMERGING BUSINESS

- Global Fintech Hub (47)
- Global in-House Centres (3)
- Sustainable Finance
- Foreign Universities & Institutions (2)
- Professional Service Providers (62)

27 Regulations notified and 12 + Frameworks issued by IFSCA since Oct. 2020

JURISDICTIONAL COMPARISON



International Financial Services Centres Authority (IFSCA)

	FEMA	Currency	Tax	Law	Regulator
Rest of the world (Foreign Jurisdiction)	Offshore Non-Resident	Int'l Currency (₹ Not Permitted)	Offshore	Resident's Jurisdiction	Respective Regulators

INDIA	IFSC (SEZ)	Offshore Non-Resident	11 Currencies (₹ Not Permitted)	Fiscal Incentives & Tax Holiday (Tax Resident)	Indian Jurisdiction	IFSCA (Unified Regulator)
	India (DTA)	Onshore Resident	Primarily ₹ denominated	Taxes as applicable (Tax Resident)	Indian Jurisdiction	Multiple Financial Regulators

COMPETITIVE TAX REGIME

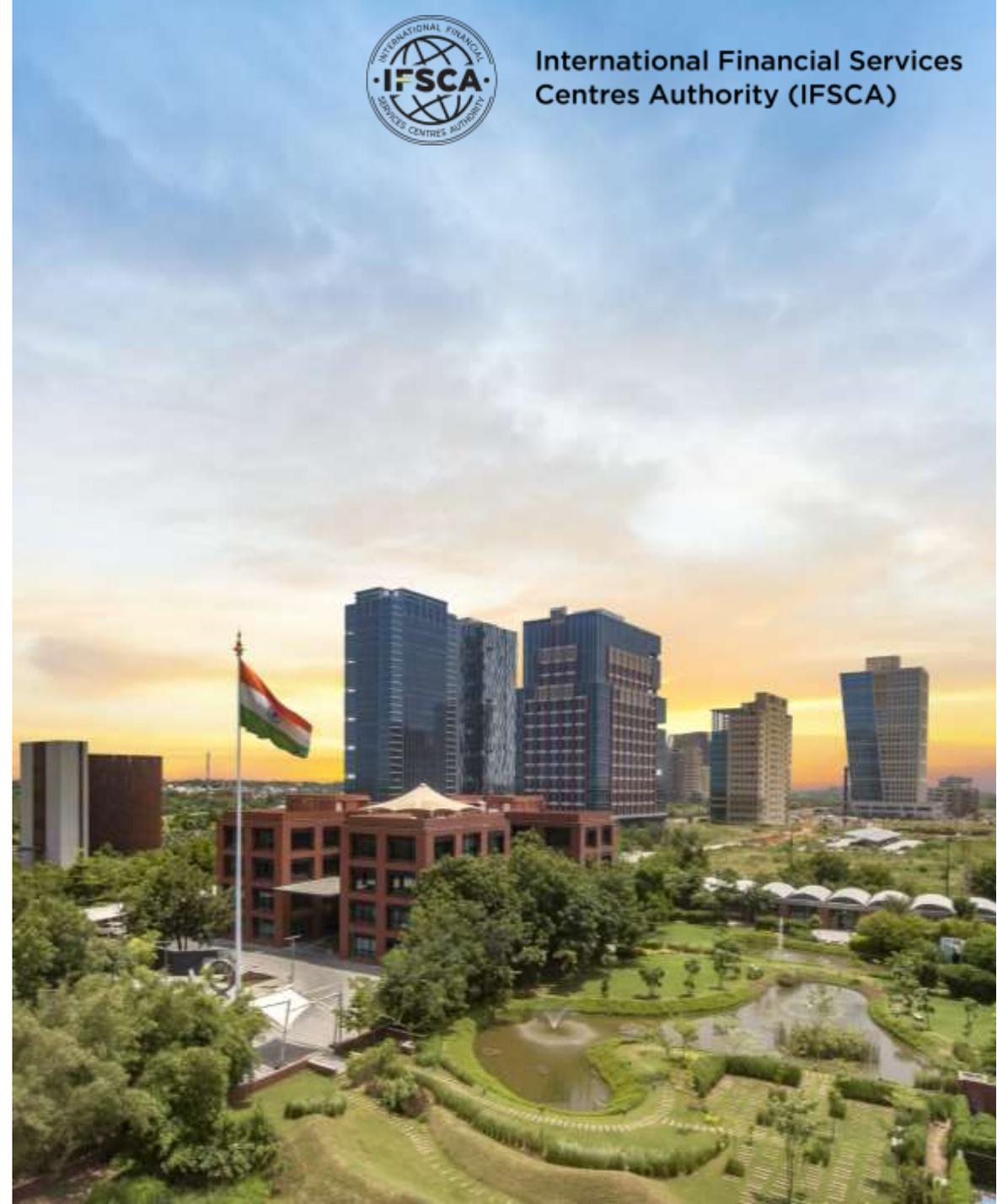
- Tax Holiday on Business Income for 10 out of 15 years
- No capital gains tax for non-residents for transfer of specified securities on Stock Exchanges
- No MAT if new tax regime adopted, otherwise 9%
- No CTT**/STT**/GST**/Stamp Duty
- WHT not applicable on borrowing from IFSC
- Reduced Withholding Tax of 9% on interest paid on Debt Instruments listed in IFSC
- Competitive Tax Regime for Funds
- Incentives under Gujarat IT/ITeS Policy (2022-27)

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

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



International Financial Services
Centres Authority (IFSCA)



BUSINESS HIGHLIGHTS: GIFT IFSC



International Financial Services Centres Authority (IFSCA)



Number of **IFSCA Registered*** Entities till January 2024



Monthly turnover on IFSC International Stock Exchanges in January 2024



Total **Banking Asset Size** in January 2024



Employment in GIFT SEZ in January 2024



Cumulative **Debt Listing on IFSC Exchanges** till January 2024



Cumulative **Banking transactions** till January 2024



Total Number of **Aviation Assets leased** from IFSC till January 2024



Total targeted corpus of **Alternative Investment Funds** till December 2023



Cumulative **Derivative transactions** booked by Banks till January 2024

*Registered, Licensed, Authorized, Notified, etc.



WHAT SERVICES CAN BE AVAILABLE IN IFSC?

- CPSEs / SPSEs / Corporates / MSMEs
 - ECBs
 - Trade Finance
 - Insurance
 - Equity & Debt Listing
 - REIT/InvIT listing
 - Ship / Aircraft Leasing & Financing
 - Export Bill Factoring / Reverse Factoring
- FinTechs
 - Innovation & Regulatory Sandbox



Finance Companies in IFSC

Lending in the form of
loans

Credit Enhancement

Factoring and Forfeiting of
receivables

Undertaking investments

Securitization

Global Treasury Centres in IFSC

Cash Pooling

Intra-Group
financing

Hedging

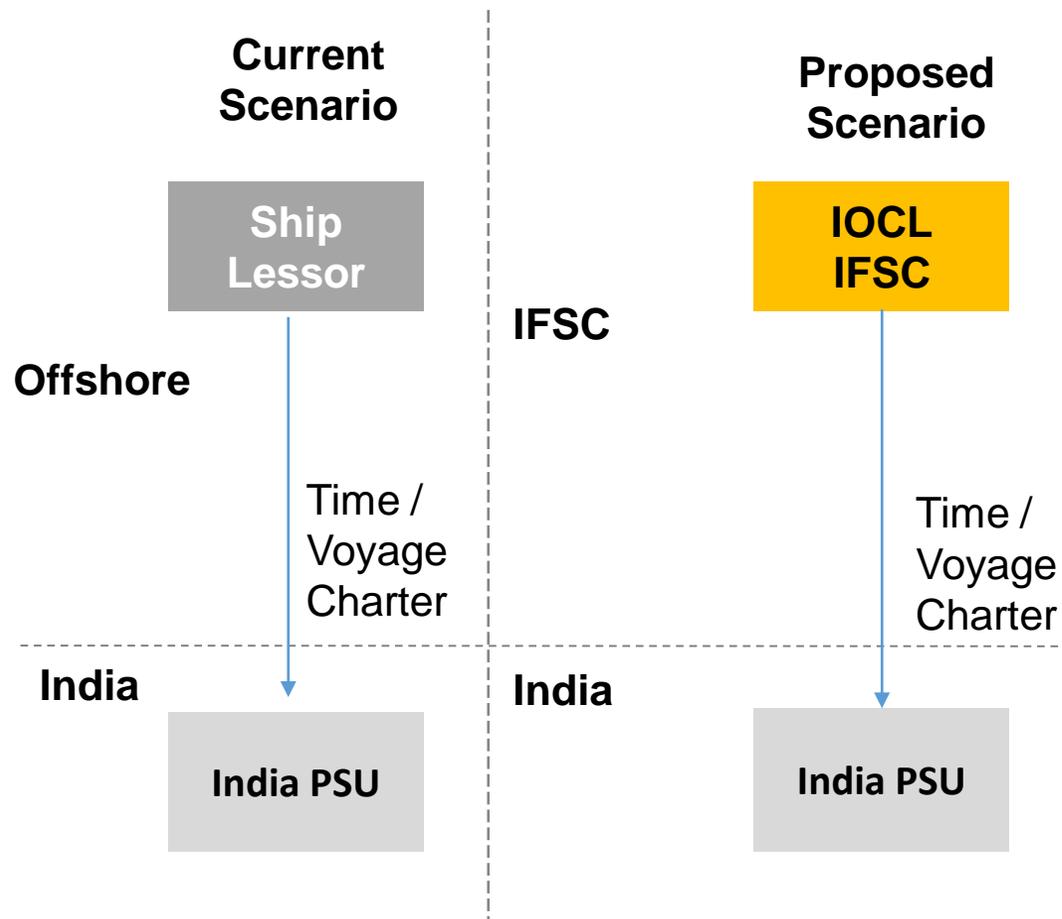
Reinvoicing

Transacting into
foreign exchange,
forwards or futures,
commodity derivatives

Key features

- Group Entities to be based out of non-High Risk FATF jurisdictions
- Can deal only in freely convertible foreign currencies and handle regulatory reporting (to IFSCA) in USD
- Free movement of funds without capital controls
- No 15CA/CB certification for payments not chargeable to tax
- Ease of raising funds/ deployment
- Tax exemption on profits

Ship Owning in IFSC



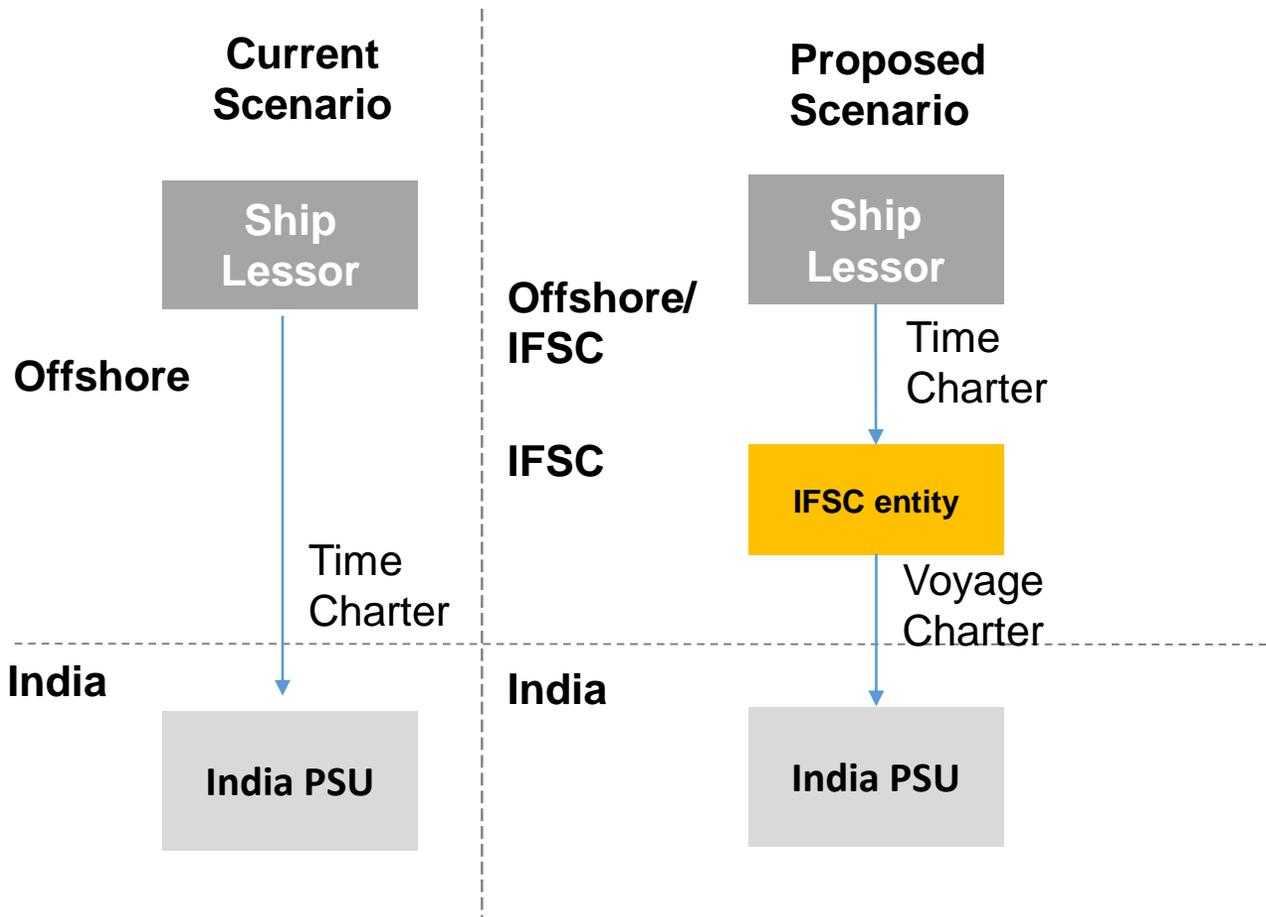
Mint
Buy ships to transport energy: Govt to oil cos

India's public sector oil and gas companies are looking at purchasing ships to transport oil....

Key features

- 10-year tax holiday on income received by IFSC entity
- No WHT on lease payments by Indian entity to IFSC entity
- Option to take no WHT certificate in case of freight payments by Indian entity to IFSC entity during tax holiday period
- No BCD and IGST on import of ships
- No capital gains on sale of ships during tax holiday

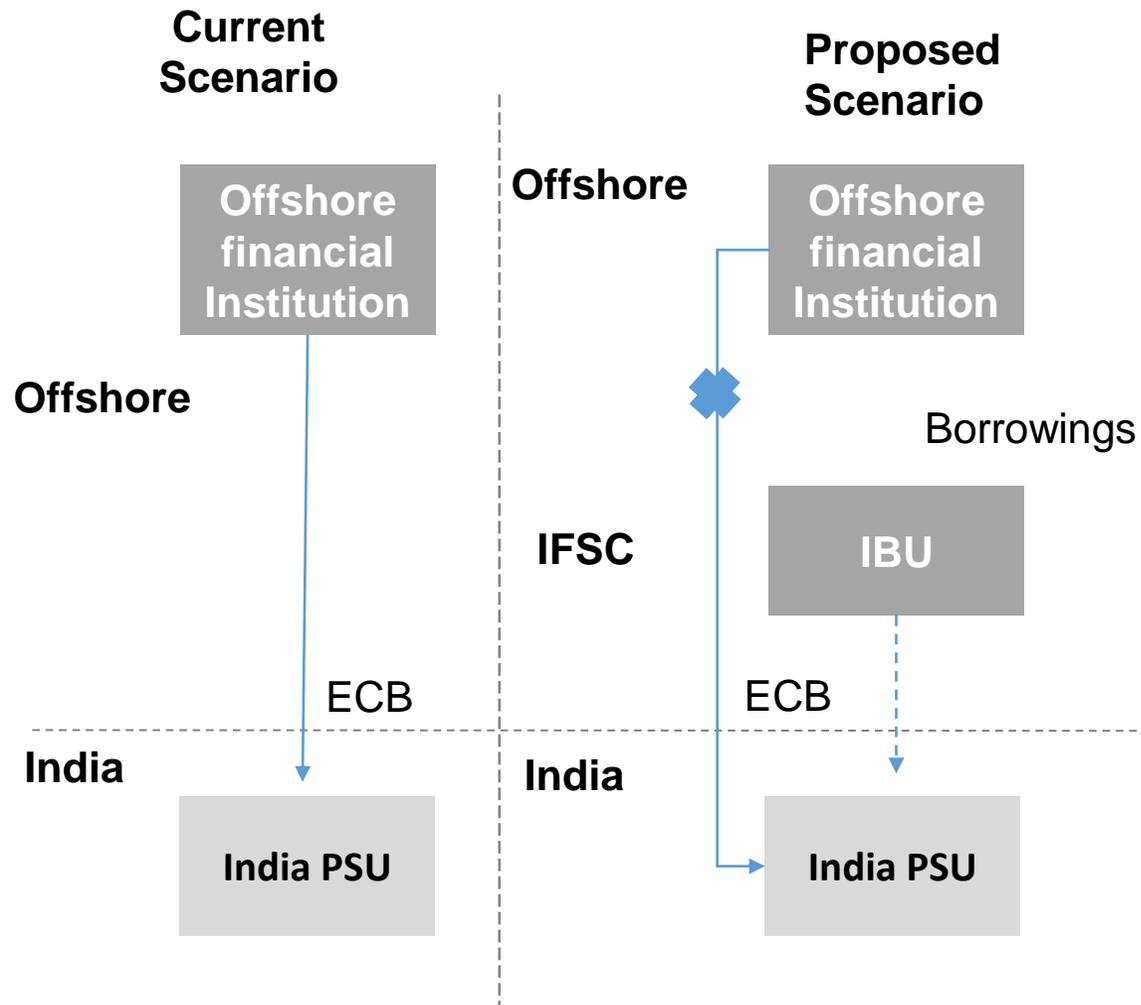
Ship Leasing in IFSC



Key features

- No gross-up of royalty while making payment to IFSC lessor (applicable in case of making royalty/freight payment to offshore lessors)
- 10-year tax holiday on income received by entity in IFSC
- No WHT on lease payments by Indian entity to IFSC entity
- Option to take no WHT certificate in case of freight payments by India entity to IFSC entity during tax holiday period

Refinancing of Borrowings



Key features

- IBUs are permitted to lend monies in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease and sale and purchase of portfolios
- All monies borrowed from an IBU carry a lower interest cost
- PSUs may consider the opportunity of refinancing the borrowings from IBU and attain cost benefit advantage
- No withholding tax on payment of interest to IBU (applicable in case payment made to Offshore financial institution)
- No gross-up of interest amount while making payment to IBU (applicable in case of making interest payment to Offshore financial institution)



**International Financial Services
Centres Authority (IFSCA),**

2nd & 3rd Floor, PRAGYA Tower,
Block 15, Zone 1, Road 1C, GIFT SEZ,
GIFT City, Gandhinagar,
Gujarat - 382 355

 **+91-79-6180-9800**

 **info-desk@ifsc.gov.in**

 **www.ifsc.gov.in**