

# GIFT-IFSC Developments & Regulatory Highlights



# GIFT CITY – Overview

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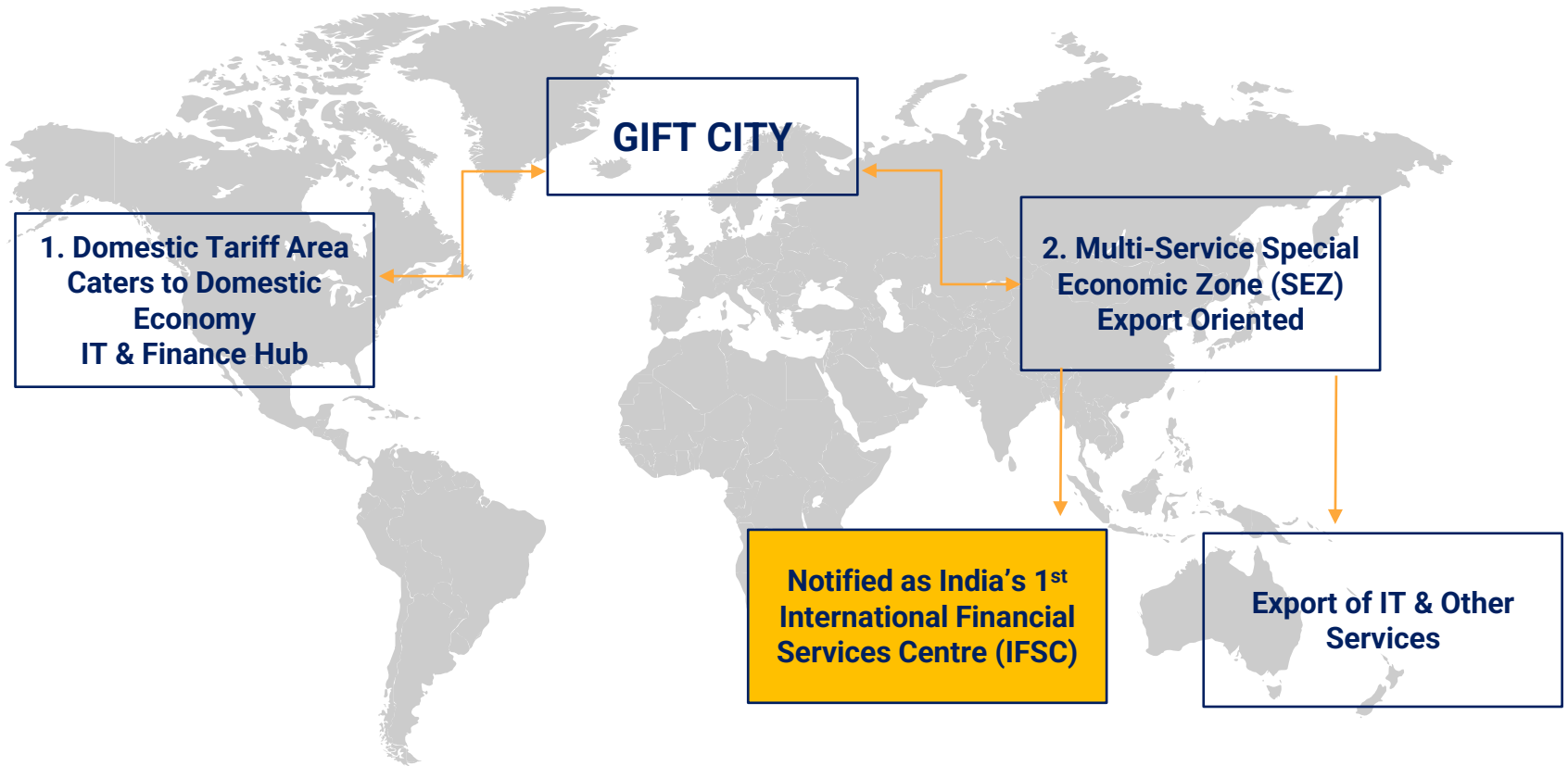


International Financial Services  
Centres Authority (IFSCA)

- **A Global Financial & IT Hub**  
with a Domestic Tariff Area & a Multi  
Services SEZ
- **GIFT SEZ- Notified as India's 1<sup>st</sup>  
International Financial Services Centre  
(IFSC)**
- Projected employment generation for **1  
Million workforce**
- **A Greenfield Smart City**  
with State-of-the-Art Infrastructure
- **A Vertical City**  
1st of its kind in the country in scale, scope  
& quality



# GIFT CITY: Structure



# GIFT IFSC: Government of India Initiative

The latest **Global Financial Centers Index, London Report (September 2021)** puts IFSC in GIFT City at the **top** amongst 15 centers globally, which are likely to become more significant over the next 2 to 3 years

1<sup>st</sup> Commercial building  
inaugurated at GIFT City

Jan 2013

April 2015

India's 1st IFSC became  
operational with RBI, SEBI  
and IRDAI notifying initial  
regulations

IFSC Authority Act, 2019  
passed by Union Parliament

Dec 2019

IFSCA assumes power to  
develop and regulate IFSCs in  
India from 1st Oct 2020

Oct 2020

IFSCA notified 20 +  
Regulations/Frameworks &  
registered 125 + IFSC entities

Jan 2022



International Financial Services  
Centres Authority (IFSCA)

# INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

# INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY



International Financial Services Centres Authority (IFSCA)

**1**

**IFSCA has been established as a unified financial regulator by the Government of India under the IFSCA Act, 2019**

**2**

**The Authority is mandated to develop and regulate Financial Institutions, Financial Services and Financial Products in the International Financial Services Centre (IFSC) in India**

**3**

**To develop and regulate IFSC's in India, IFSCA has been vested with powers of four sectoral regulators namely- RBI\*, SEBI\*, IRDAI\* & PFRDA\***

## BUSINESS ACTIVITIES



### BANKS

- Indian banks
- Foreign banks



### CAPITAL MARKET

- Stock/Commodity Exchanges
- Clearing Corporation
- Depository
- Broker Dealer



### ASSET MANAGEMENT

- Alternate Investment Fund
- Investment Advisers
- Wealth Management
- Portfolio Manager
- Custodial Services



### INSURANCE

- Indian Insurer
- Indian Reinsurer
- Indian Broker
- Foreign Insurer
- Foreign Reinsurer



### Other Financial Institutions

- Finance Company
- Global Corporate Treasury Centre
- International Trade Finance Services Platform



### Emerging Activities

- Global Fintech Hub
- Global inhouse centres
- International Bullion Exchange
- Aircraft Leasing & Financing
- Ancillary Services/Professional Service Providers



# COMPETITIVE TAX REGIME

## Overview - IFSC

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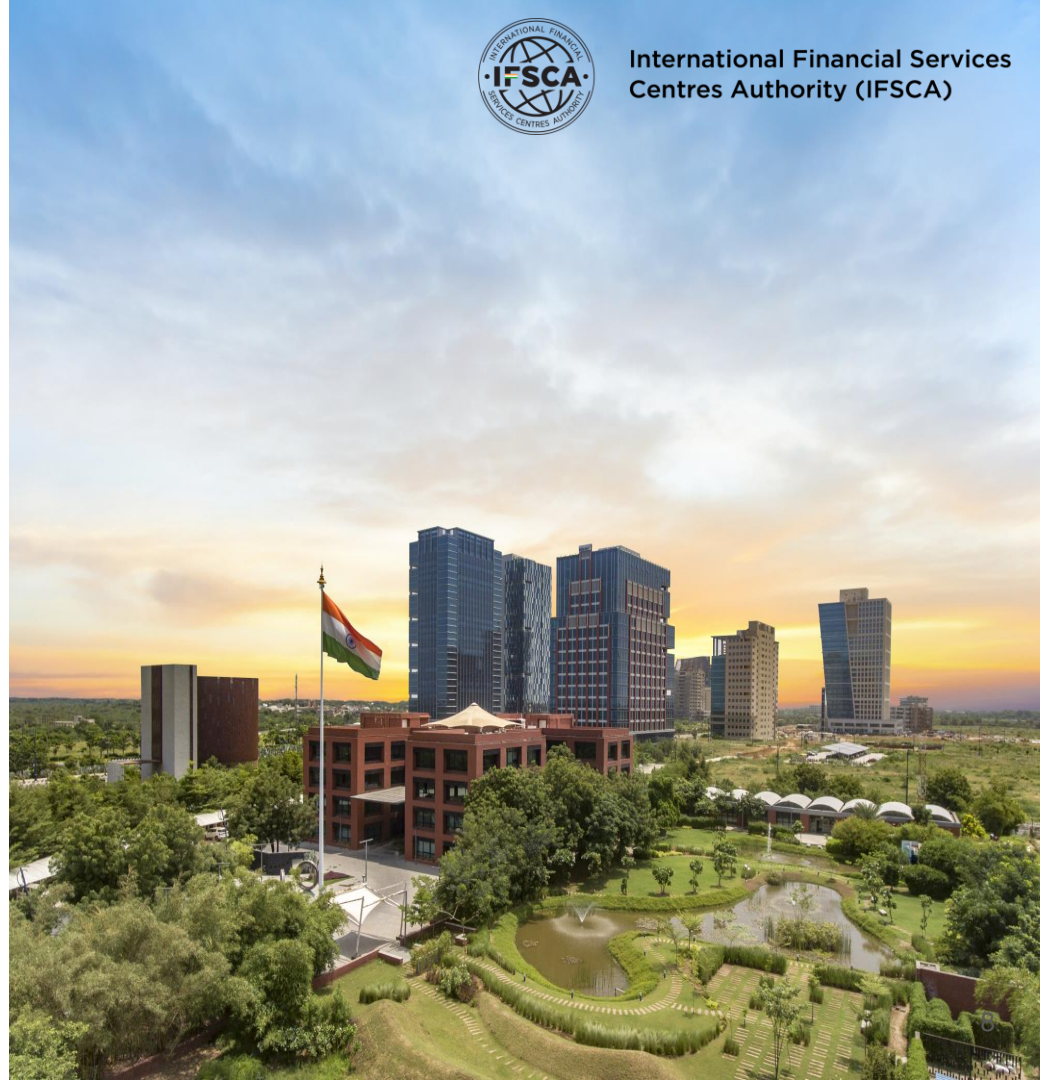
- 100% Tax Exemption (for 10 out of 15 years)
- Minimum Alternate Tax\* @ 9%
- No CTT\*\*/STT\*\*/GST\*\*/Stamp Duty
- No Capital Gain Tax
- Withholding tax @4% on interest paid on Debt Instruments
- Competitive AIF Tax Regime

\* 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)





## IFSC Regulations Benchmarked with International Best Practices

**IFSCA (Banking)  
Regulations 2020**

**IFSCA (Bullion  
Exchange) Regulations  
2020**

**IFSCA (Global In-  
House) Regulations  
2020**

**Regulatory Sandbox  
Framework for FinTech  
2020**

**IFSCA (Issuance and  
Listing of Securities)  
Regulations, 2021**

**IFSCA (Finance  
Company) Regulations,  
2021**

**IFSCA (Market  
Infrastructure  
Institutions)  
Regulations 2021**

**Framework For Aircraft  
Leasing and Finance  
2021**

**Framework for Ancillary  
Services 2021**

**Framework for Global  
Corporate Treasury  
Centres in IFSC 2021**

**Framework for setting  
up International Trade  
Financing Services  
Platform (ITFS) 2021**

**IFSCA Banking  
Handbook 2021**

**IFSCA (Capital Market  
Intermediaries)  
Regulations, 2021**

**IFSCA (Registration of  
Insurance Business)  
Regulations, 2021**

**IFSCA(Insurance  
Intermediary)  
Regulations, 2021**

# GIFT IFSC: Business Highlights



International Financial Services  
Centres Authority (IFSCA)

## \$5.8 Bn

**Stock Exchanges** Avg. daily trading volume in Dec 2021 compared to \$ 3.4 Bn in Sept. 2020

## \$4.6 Bn

Total amount committed by **Alternative Investment Funds** (AIFs) till Dec. 2021

## \$ 24.7 Bn

**Total Banking Asset Size** in Dec. 2021 compared to \$ 14 Bn in Sept. 2020

## \$142 Bn

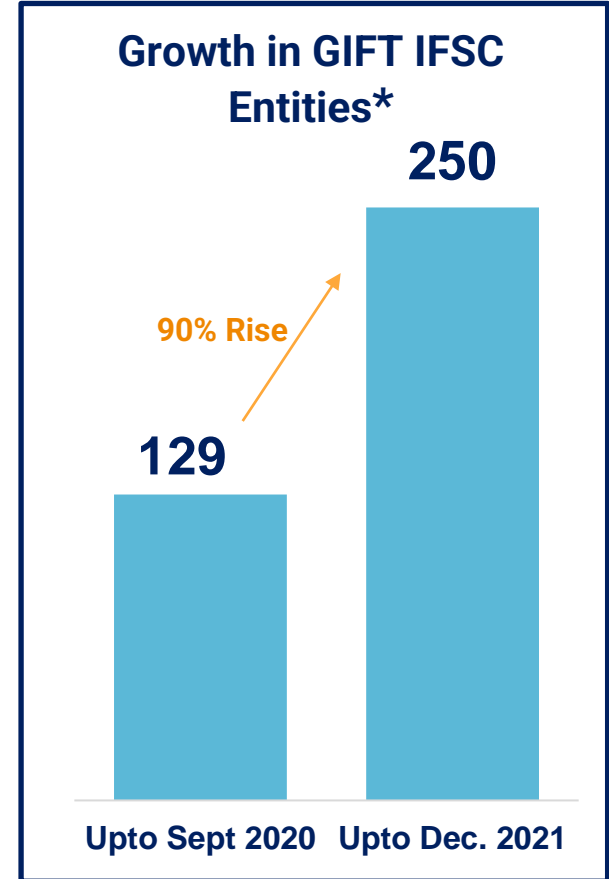
**Cumulative Banking transactions** till Dec. 2021 compared to \$ 45 Bn in Sept. 2020

## \$173 Bn

**Cumulative Derivative transactions** by Banks till Dec. 2021 compared to \$ 22 Bn in Sept. 2020

## 4500+

**Employment in GIFT SEZ** in Dec. 2021 compared to 2500 + employment in Sept. 2020



\*Including entities who have either applied to IFSCA or obtained SEZ IFSC approval

# Budget Announcements (FY 2022)

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International Financial Services  
Centres Authority (IFSCA)

1. **SEZ law** to be replaced with a new legislation for development of enterprise and service hubs
2. **International Arbitration Centre** to be set up in GIFT City for timely settlement of disputes under international jurisprudence
3. **World-class foreign universities and institutions** to be allowed in the GIFT City free from domestic regulations, except those by IFSCA
4. Services for global capital for **sustainable and climate finance** to be facilitated in the GIFT City
5. **Tax announcements**

**Thank You**