



DOING BUSINESS IN GIFT CITY 2024

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1 GIFT CITY: CREATING A FORMIDABLE ECOSYSTEM FOR BUSINESSES

- 1.1 Overview of GIFT City
- 1.2 GIFT City's Infrastructure and Amenities
- 1.3 IFSC at GIFT City
- 1.4 Introduction to IFSCA
- 1.5 Taxation and Regulatory Framework

2 PRIMARY SECTORS OF FOCUS

3 DIVERSE BUSINESSES IN GIFT CITY

- 3.1 Banks
- 3.2 Insurance
- 3.3 Capital Markets
- 3.4 Funds
- 3.5 Finance Companies
- 3.6 Global Treasury
- 3.7 Aircraft Leasing
- 3.8 Ship Leasing
- 3.9 Global In-House Centres
- 3.10 Fintech
- 3.11 Foreign Universities
- 3.12 Ancillary Services
- 3.13 Bullion Exchange

4 STEPS TO SET UP IN GIFT CITY

5 PROMINENT INSTITUTIONS IN GIFT CITY

6 LIVING IN GIFT CITY

Executive Summary

THE VISION OF INDIA'S FUTURE



As India powers ahead on its \$ 17 Tn. economic journey, GIFT IFSC, featuring the country's first IFSC, is paving the way for India's ambitious goals. As India's gateway to global capital, and it's first operational smart city, GIFT IFSC is focused on rerouting the flow of financial services transactions, especially those in foreign jurisdictions, to India. The development of GIFT IFSC is the decisive stepping stone towards achieving the country's strategic vision for the future.

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GLOBALLY BENCHMARKED INFRASTRUCTURE

GIFT IFSC encompasses a judicious combination of strategic planning with the latest technology, thus fostering global standards in infrastructure service delivery. With seamless transport connectivity within its campus, convenient linkage with international and domestic centres, a District Cooling System, an Automated Waste Collection System, and an Underground Utility Tunnel, GIFT City offers international standards of working and living for its growing populace. The social infrastructure comprises of schools, medical facilities, business centre & club, recreational area, restaurants, hotels, and residential projects.



UNIFIED REGULATOR FOR EASE OF DOING BUSINESS

3

The International Financial Services Centres Authority (IFSCA) epitomizes the pinnacle of regulatory power in India, combining the scope of the four premier financial services regulators in the country – the RBI, the SEBI, the PFRDA, and the IRDAI, thereby enabling the dynamic nature of businesses in the GIFT IFSC.



WIDE-RANGING TAXATION BENEFITS

GIFT IFSC offers 100% income tax exemption for 10 consecutive years out of 15 years, making it equitable with global offshore destinations. There is no GST on services received by units in GIFT IFSC or provided to GIFT IFSC / SEZ units or offshore clients. GIFT IFSC also offers a slew of fiscal benefits, other tax benefits, SEZ benefits, and state-level incentives.

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SECTORS AT THE FOREFRONT

GIFT IFSC is becoming the destination of choice for sectors including Banking, Insurance and Capital Markets, Funds, Global In-house Centres, Fintech, Aircraft Leasing, Foreign Universities, Finance companies, Ship Leasing, and Ancillary Services. With a robust uptick in the number of international and domestic businesses setting up operations in GIFT IFSC, the smart city is transforming into a development hub as envisioned by the Hon'ble Prime Minister of India.

Glossary

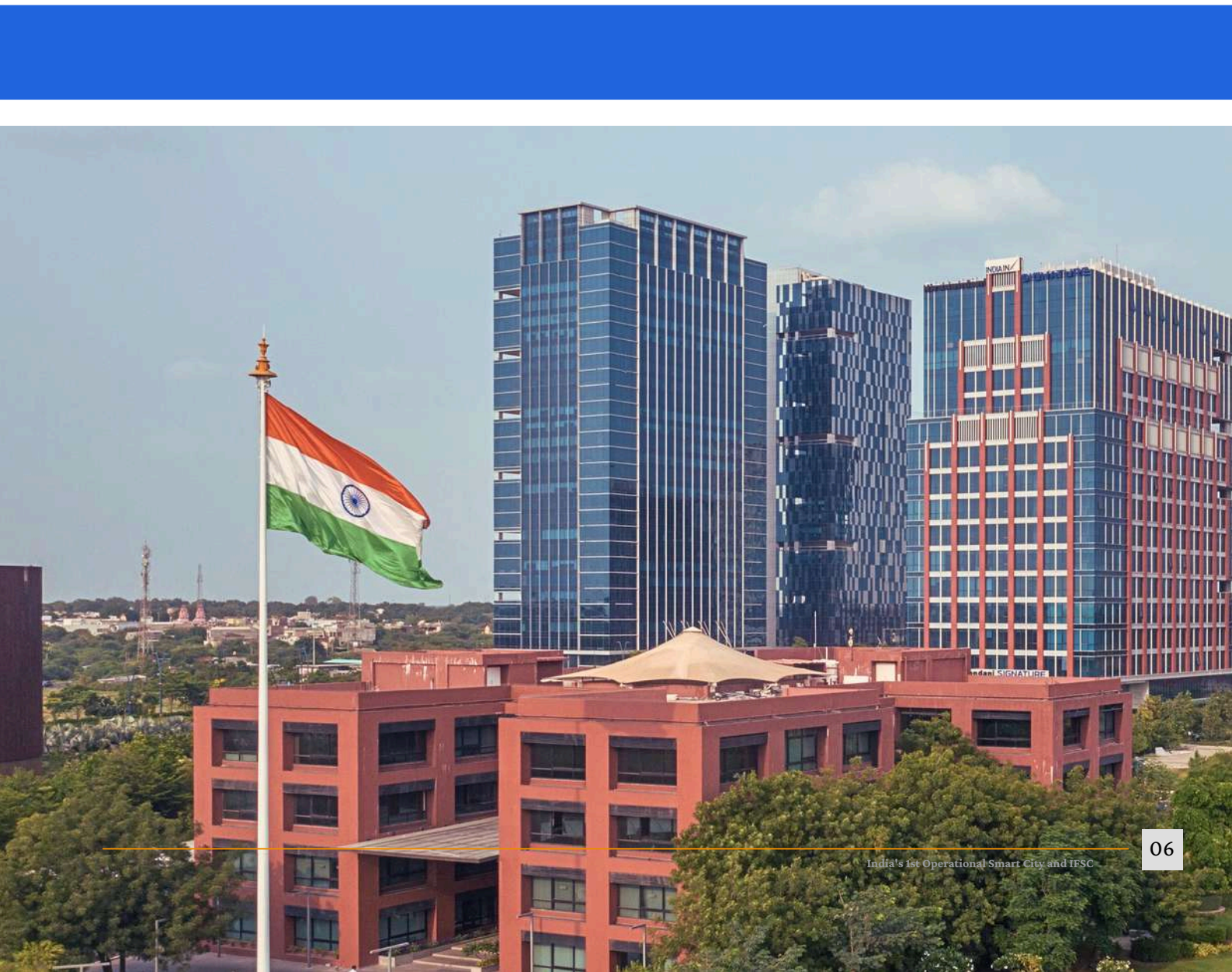
| Abbreviation | Full form |
|--------------|---|
| AIFs | Alternative Investment Funds |
| AMT | Alternate Minimum Tax |
| AUM | Assets Under Management |
| CRR | Cash Reserve Ratio |
| DTA | Domestic Tariff Area |
| DIPP | Department of Industrial Policy and Promotion |
| ECB | External Commercial Borrowings |
| FATF | Financial Action Task Force |
| FoF | Fund of Funds |
| FME | Fund Management Entity |
| FTWZ | Free Trade Warehousing Zone |
| GDR | Global Depository Receipts |
| GIC | Global In-house Centre |
| GST | Goods and Services Tax |
| IBU | IFSC Banking Unit |
| IFSC | International Financial Services Centre |
| IFSCA | International Financial Services Centre Authority |
| IIO | IFSC Insurance Office |
| IoRS | Inter-operable Regulatory Sandbox |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IRF | Interest Rate Futures |
| KASEZ | Kandla Special Economic Zone |
| LCR | Liquidity Coverage Ratio |
| LOA | Letter of Approval issued by the SEZ Development Commissioner |
| LRS | Liberalised Remittance Scheme |
| MAT | Minimum Alternate Tax |
| NISM | National Institute of Securities Markets |

Glossary

| Abbreviation | Full Form |
|--------------|---|
| NSFR | Net Stable Funding Ratio |
| NOC | No Objection Certificate |
| ODI | Overseas Direct Investment |
| PFRDA | Pension Fund Regulatory and Development Authority |
| RBI | Reserve Bank of India |
| SEBI | Securities and Exchange Board of India |
| SEZ | Special Economic Zone |
| SEZ DC | SEZ Development Commissioner |
| SLR | Statutory Liquidity Ratio |
| SNAS | Segregated Nominee Account Structure |
| TC | Total Contribution |
| VC / U | Venture Capital / Undertaking |

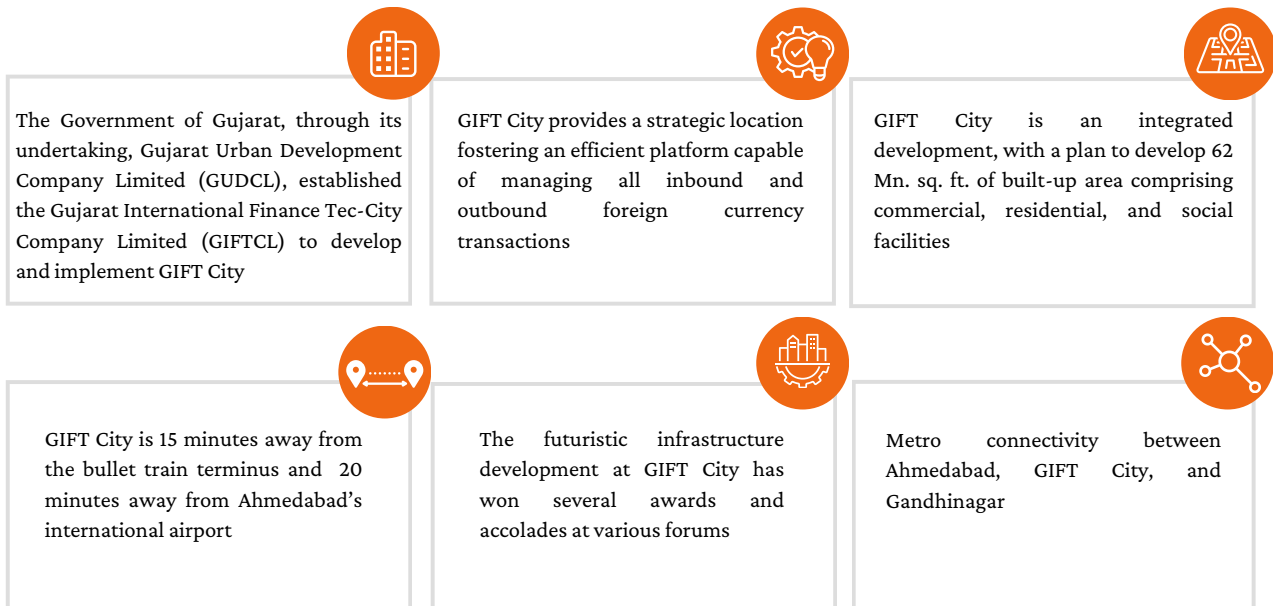
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GIFT City: Creating a Formidable Ecosystem for Businesses

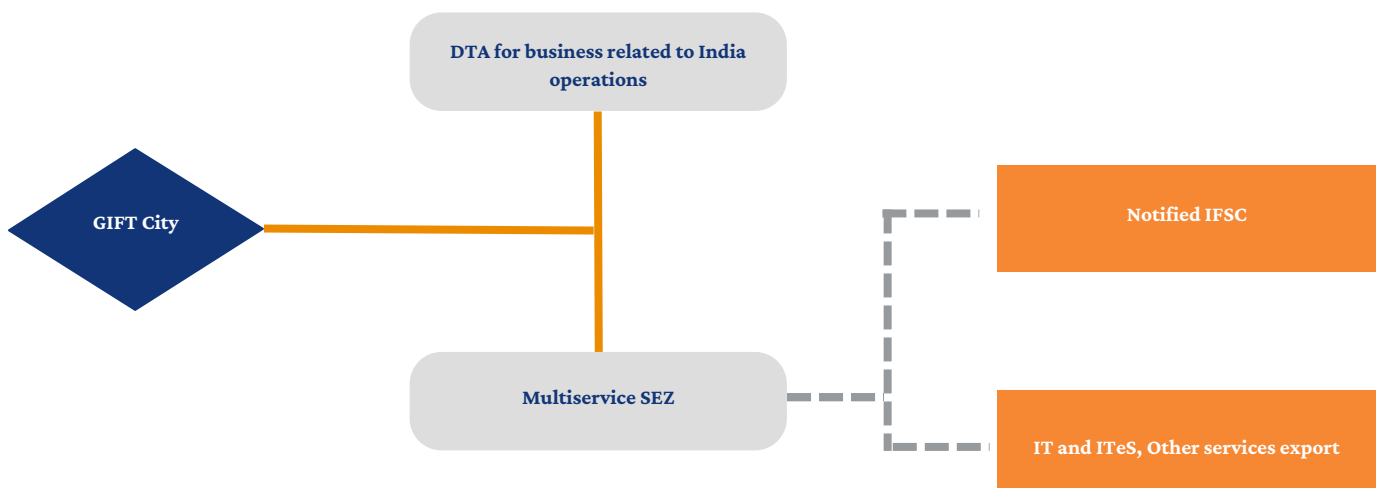


1.1 Overview of GIFT City

Gujarat International Finance Tec-City (GIFT City) is a visionary project that encompasses both a multi-service SEZ and a dedicated DTA. Spanning across a vast expanse, GIFT City occupies a total land area of 886 acres, of which 261 acres and 625 acres, have been allotted for the SEZ and DTA, respectively. Unique to GIFT City is its vertical city concept, meticulously designed to maximise land usage while ensuring holistic and sustainable development. Recently, the city expanded its boundaries, encompassing additional land parcels sprawling 3,300 acres.

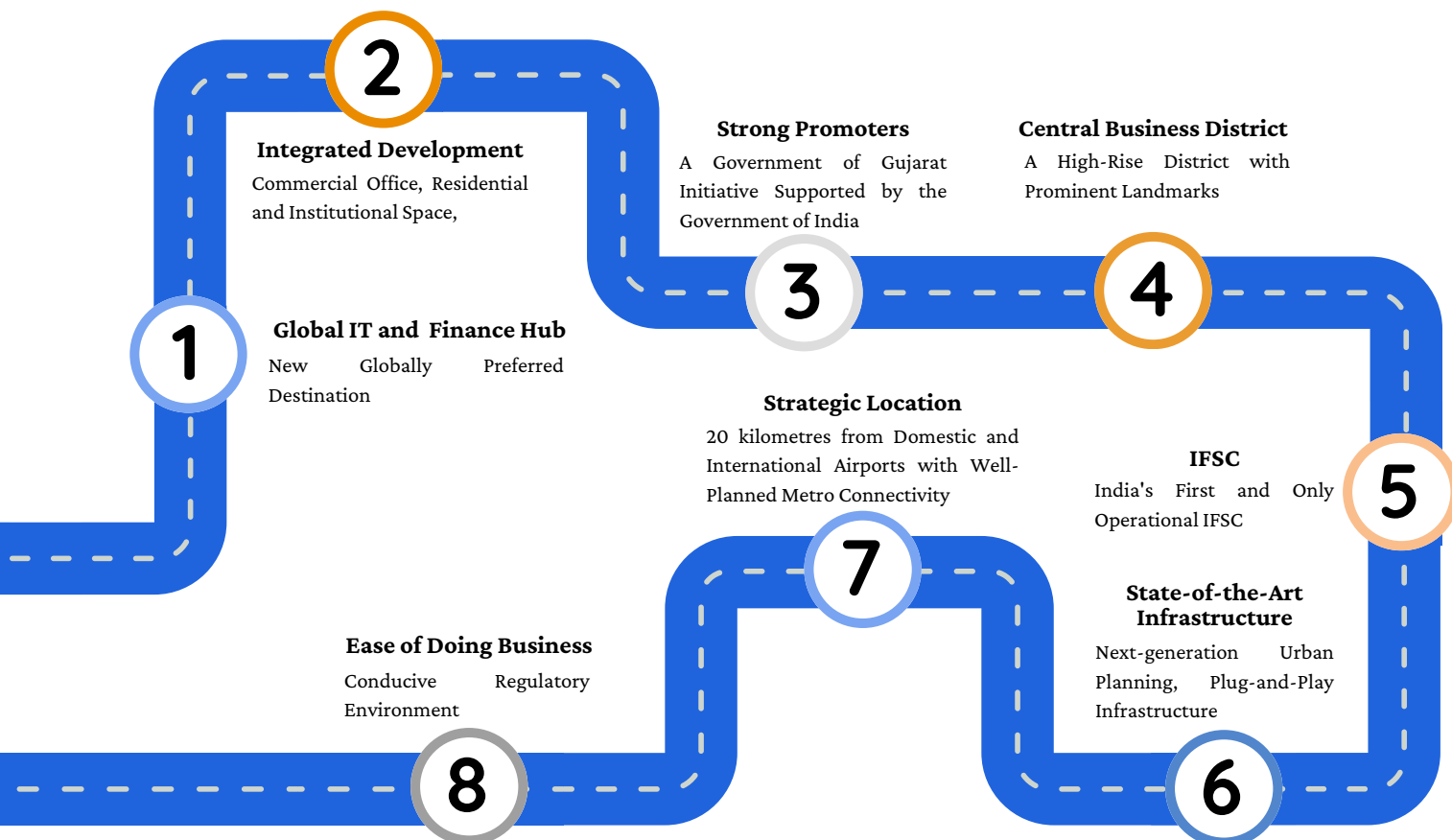


Business hub for international and domestic operations



A superlatively planned smart and technology-enabled city epitomizing world-class commercial and residential facilities, GIFT City is rapidly emerging as a global destination for future-ready enterprises, while also essaying the prominent role as the premier financial and technology gateway of India.

A Preferred Business Destination for Domestic and Global IT / ITeS Companies



Ideal Destination for IT / ITeS Companies to Setup Following Businesses in the DTA and the SEZ

Operations Hub

Back Offices
High-End Processing Centres
Shared Services Centres
Global Delivery Centres
KPO and BPO Verticals
IT / ITeS Parks

Technology Offerings and Platforms

Artificial Intelligence
Data Analytics
Robotics
E-commerce
Tier IV Data Centre
Internet of Things (IoT)

Research and Development

Data / Information Management
Innovation Centres
ERP / Software and Application Development
Web / Digital Content Development

1.2 GIFT City's Existing Infrastructure and Amenities

Across global IFSCs, infrastructure has been a pivotal element enabling the underlying business environment and quality of life. Futuristic infrastructure is a hallmark of GIFT City, with the campus exhibiting a judicious combination of smart planning with the latest technology and global standards in infrastructure service delivery. As India's pre-eminent smart city, GIFT City unlocks international standards of working and living for its growing populace.

GIFT City: Unique infrastructure and amenities



Automated Waste Collection and Segregation Plant

Each building is equipped with automated waste collection and transportation system for efficient waste disposal, thereby minimising human intervention.



District Cooling Plant

The District Cooling System (DCS) is an energy efficient and sustainable air conditioning system, conserving up to 30% energy in comparison to traditional air conditioning systems.



Underground Utility Tunnel

GIFT City developed the vision of a "Digging-Free City" by placing all utilities in a tunnel network across the city, so that there is no need for future road excavations for utility repairs, maintenance, or renovation of any utility.



Water Treatment Plant

24x7 potable water from any tap is available throughout the city. GIFT City adopts the concept of zero discharge, with recycling and reuse of wastewater through water treatment plants.

GIFT City's world-class infrastructure acts as its lifeblood, feeding the manifold requirements of a booming landscape focused on rapid and sustainable expansion.

1.2 GIFT City's Existing Infrastructure and Amenities

Operational buildings in GIFT City



GIFT One Tower
Basement + 28 floors
0.8 Mn. sq. ft. BUA (DTA)



GIFT Two Tower
Basement + 28 floors
0.8 Mn. sq. ft. BUA (DTA)



**Signature Tower by
Hiranandani Group**
16 floors
0.3 Mn. sq. ft. BUA (SEZ)



**Brigade Tower by
Brigade Group**
14 floors
0.4 Mn. sq. ft. BUA (SEZ)



Hotel Grand Mercure
Brigade Group Hotel - 150 Rooms



GIFT City Business Club



Jamnabai Narsee School
ICSE Board
1200 students



**Tata Communications Tier IV
Data Centre**
900 Racks



Pragya Tower (SEZ- IFSC)
24 Storey
0.5 Mn. sq. ft. BUA

1.3 IFSC at GIFT City

By definition, an IFSC is aimed at catering to the evolving requirements exhibited by customers outside the jurisdiction of the domestic economy. IFSCs facilitate the seamless flow of finance, financial products, and services across borders, thus fostering a truly globalised environment.



IFSC has been designed to undertake financial services transactions currently being conducted outside India by overseas financial institutions and overseas branches / subsidiaries of Indian financial institutions



The IFSC at GIFT City has been approved and is regulated by the Government of India under the IFSC Act, 2019



The Government of India has further approved GIFT City as a Multi Services Special Economic Zone ('GIFT SEZ') and has also notified this zone as India's maiden IFSC



The launch of the IFSC at GIFT City can be considered as a crucial step towards ushering financial services transactions related to India, back to Indian shores



The GIFT IFSC unit is treated as a non-resident under RBI's Foreign Exchange Management Act (FEMA), 1999



GIFT IFSC has the potential to make a substantial contribution to achieving self-reliance in international financial services including, raising overseas bonds / capital, dealing in ₹-\$ derivatives, etc.



GIFT IFSC has the potential to serve as India's gateway to global financial markets for outbound and inbound investments, including the leasing and financing for aircrafts and ships

In the words of the Hon'ble Prime Minister Shri Narendra Modi

My vision is that in ten years from now, GIFT City should become the price-setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other financial instrument. The concept of IFSC is simple but powerful. It aims to provide onshore talent with an offshore technological and regulatory framework. This is to enable Indian firms to compete on an equal footing with offshore financial centres.

Business Ecosystem at GIFT IFSC

| Participants | Key business activities and features | Volume / No. of players (May 2024) |
|-------------------------------|---|---|
| International Stock Exchanges | Dollar denominated products No transaction cost (other than brokerage) and 22 hours trading | <ul style="list-style-type: none"> Monthly turnover on GIFT IFSC Exchanges - \$ 67 Bn.+* Cumulative Debt Listing on GIFT IFSC Exchanges - \$ 52 Bn.+* |
| IFSC Banking Units | Foreign currency lenders Lending loan syndication and trade finance | <ul style="list-style-type: none"> 27 Banks Licensed[^] Total banking transactions - \$ 795 Bn.+[^] Total banking asset size - \$ 60 Bn.+[^] Total derivative transactions - \$ 796 Bn.+[^] |
| Funds | Alternative Investment Funds | <ul style="list-style-type: none"> 100+ FMEs registered[^], 60+ Funds (Private Equity / VC / Hedge Funds), and Capital Commitment to Funds \$ 36 Bn.+[^] |
| Brokers and Intermediaries | Broking services and Proprietary trading | <ul style="list-style-type: none"> 60+ brokers, depository clearing corporations 5 Custodians |
| Insurers and Intermediaries | Non-life, Reinsurance business and Insurance intermediaries | <ul style="list-style-type: none"> 29+ Companies [^] Reinsurance gross premium booked by insurance firms (IIOs) - \$ 425 Mn.[^] |
| FinTech Industry | Innovation: Blockchain, AI, AgriTech, Quantum, Tokenization and SpaceTech Applications received from 12 countries: USA, UK, Australia, Singapore, France and India | <ul style="list-style-type: none"> In 1 year, 70+ applications received under FinTech Entity Framework, 2022 45+ FinTech entities registered[^] |
| Ancillary Services | Legal, Accounting, Book-keeping & Taxation Services, Foreign Law Firms, Ship Broking, Management Consulting Services, Assets Management Support Services, and Trusteeship Services | 50+ Ancillary service providers authorised in GIFT IFSC |
| Other Businesses | Aircraft Leasing, Ship Leasing, Capital Markets, Bullion Industry, Foreign Universities, International Trade Finance Platforms (ITFS), and Sustainable Finance | <ul style="list-style-type: none"> GIFT NIFTY (daily open interest \$ 10 - \$ 12 Bn.), \$ 67 Bn.+ monthly turnover on GIFT IFSC Exchanges* Cumulative debt listing on GIFT IFSC Exchanges \$ 52 Bn.+* 35+ registered Aircraft and Shipping leasing entities[^] 100+ Qualified Jewellers and 15+ Bullion suppliers onboarded Enabling regulations notified, Deakin University granted in-principle approval, Wollongong University granted in-principle approval on 12th May 4 ITFS Platforms have successfully completed Sandbox trials and will commence commercial operations, Provide various trade finance products Specific regulatory framework / guidelines provided in banking, capital markets, and funds regulations to facilitate sustainable finance flows into India through IFSC, 1st of its kind International Sustainability Platform launched by NSE IFSC, ESG labelled securities to the tune of \$ 10.5 Bn. listed on GIFT IFSC Exchanges |

Connectivity -
20 minutes from Ahmedabad airport, well connected through public transport

Social amenities –
Business club, school, hotels, residential apartments, etc.

~24,000 employees in GIFT City[^]

*Data as on September 2023

[^]Data as on May 2024

1.4 Introduction to IFSCA

The International Financial Services Centres Authority (IFSCA) assumes the pivotal role of overseeing financial products and services within India's GIFT IFSC. Before its establishment, regulatory responsibilities for GIFT IFSC were spread across domestic regulators including the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Pension Fund Regulatory and Development Authority (PFRDA), and the Insurance Regulatory and Development Authority of India (IRDAI). The creation of IFSCA was driven by the need to streamline regulatory efforts and promote effective coordination among these regulatory bodies. IFSCA's primary mission is to cultivate a conducive and business-friendly environment within GIFT IFSC. It aspires to establish a world-class regulatory framework that not only supports global connections but also positions GIFT IFSC as a preeminent global financial hub, not only for the region but also on the global stage.



According to the enterprises operating within GIFT City, **the presence of the IFSCA has been instrumental in mitigating the time consumed for regulatory compliance; thus fostering an enabling and optimally efficient regulatory atmosphere within the SEZ regulatory compliances, thus fostering an enabling and optimally efficient regulatory atmosphere within the SEZ.**

Opportunities in GIFT IFSC



Access to a large hinterland economy



Connecting India to the ~30 Mn. strong Indian diaspora residing across the globe, through the IFSC



Inbound and outbound gateway for International financial services



Providing easy access to global investors to participate in India's growth story

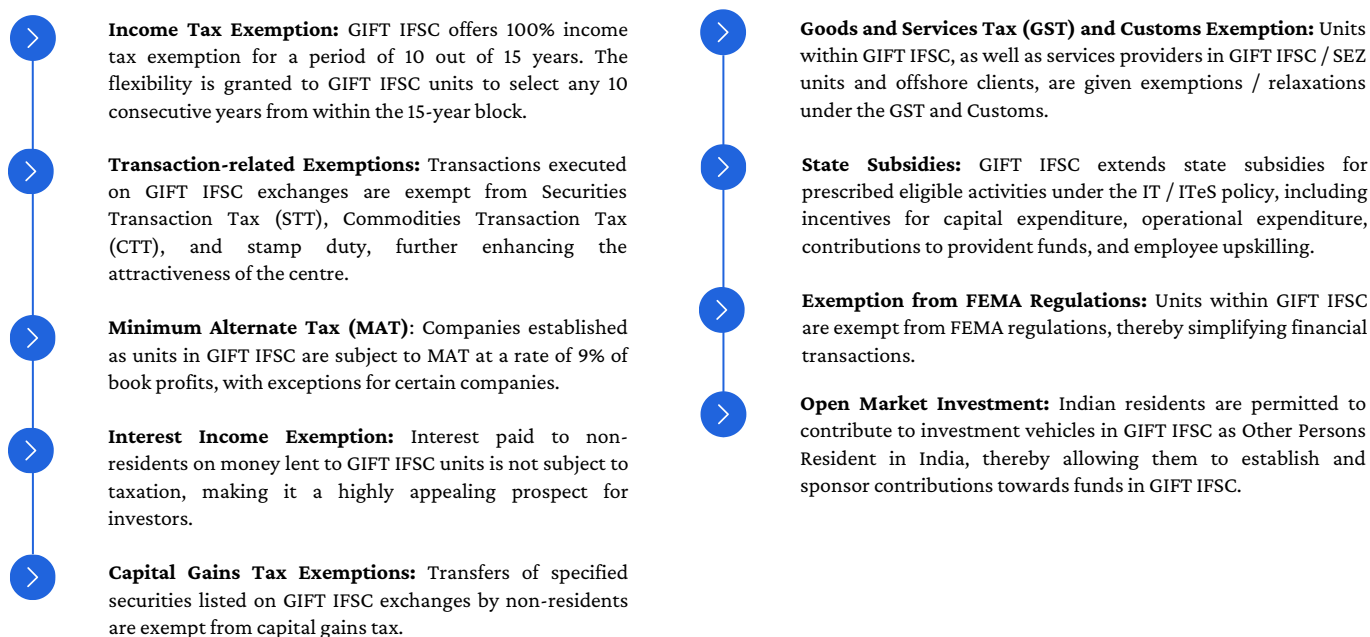


Opportunity for global investors to set up businesses in the areas of asset management, banking, investments (especially green finance and social impact capital), insurance and reinsurance

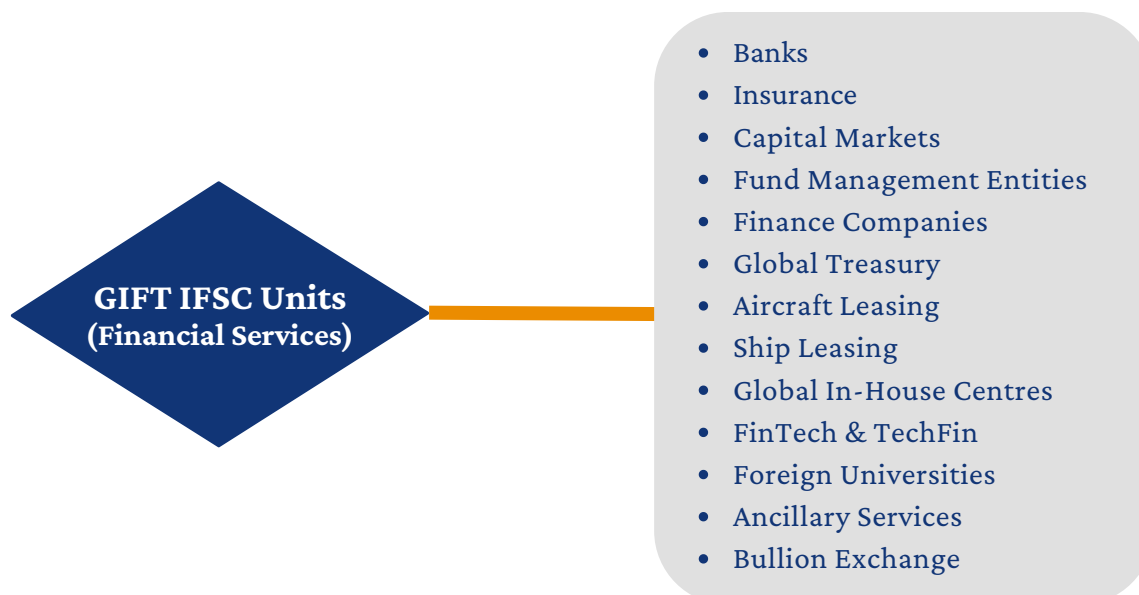
1.5 Taxation and Regulatory Framework

Global IFSCs have consistently offered an enabling tax regime and the same is now exemplified at GIFT IFSC. As an integral part of any business, taxation plays an imperative role in peoples' and enterprises' decision-making and investment processes. With taxation benefits across the board, GIFT IFSC offers its units an empowering framework aimed at organisational success.

Taxation framework for IFSC



Regulatory Framework for Businesses at GIFT IFSC



Exemptions and Subsidies

Exemptions under the Companies Act, 2013

Internal audit is applicable only if provided in the Articles of Association (AOA)



The limits on managerial remuneration are not applicable



An Extraordinary General Meeting (EGM) can be held at any place within or outside India, subject to the approval of all shareholders



General and Board meeting rules have been relaxed and Board of Directors can pass certain resolutions through circular resolutions, without physical presence



Corporate Social Responsibility (CSR) provisions are not applicable for 5 years from the date of commencement of business



There is no requirement to set up Audit Committee, Nominations and Remuneration Committee



GIFT IFSC companies can adopt the same financial year as their holding companies without requiring any prior approval



Foreign companies are exempt from the requirement to offer securities for subscription and from the prospectus requirements



Composition and appointment of directors on the Board have been relaxed and the Board of Directors are required to meet only once in each half of a calendar year

Exemptions and Subsidies

Exemptions under the Companies Act, 2013



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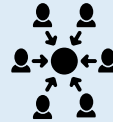
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Exemptions and Subsidies

State subsidies - Incentives available under IT / ITes policy of the Government of Gujarat

| A. Special Incentives for IT City, Cloud Ecosystem, Data Centres and R&D Institutes | |
|---|---|
| IT City / Townships | Capex: One time support of 25% of capex subject to maximum of ₹ 500 Mn. |
| Facilitating Infrastructure | Opex (Rentals): First two years, 50% of monthly rentals subject to a maximum of ₹ 10,000 for first three years For the next three years subsequently: 25% of monthly rentals subject to a maximum of ₹ 5,000 |
| Cloud System for CLS | Capex: One-time support of 25% of eligible capex subject to maximum of ₹ 200 Mn. |
| Data centre projects | Capex: One-time support of 25% of eligible capex subject to maximum of ₹ 1.5 Bn. Opex: Power tariff subsidy of ₹ 1/- unit (5 years) |
| Establishing R&D institutes | One-time support of 60% of machinery cost subject to maximum of ₹ 50 Mn. |

| B. Other Capex and Opex-related Subsidies | |
|--|--|
| Capital Subsidy | A one-time subsidy of 25% of capital expenditure, subject to maximum of ₹ 2,000 Mn. for entities with gross fixed capital investment exceeding ₹ 2,500 Mn. and for entities with capital investment less than ₹ 2,500 Mn., the subsidy is capped at ₹ 500 Mn. |
| Subsidy for Operating Expense | A 15% subsidy on operational expenditure for five years, subject to maximum of ₹ 400 Mn. for entities with gross fixed capital investment exceeding ₹ 2,500 Mn., for entities with gross fixed capital investment less than ₹ 2,500 Mn., the subsidy is capped at ₹ 200 Mn |
| Electricity Duty Reimbursement | 100% reimbursement of electricity duty for 5 years |
| Reimbursement of Provident Fund Contribution by the Employer | Reimbursement of the Employer Provident Fund (EPF) contribution, up to 12% of the employee's salary For female employees it is 100% and for male employees it is 75% |
| Interest Subsidy | Interest subsidy of up to 7% on term loans or the actual interest paid, whichever is lower, for five years, with a maximum subsidy of ₹ 10 Mn. per annum |
| Employment Generation Incentive | Reimbursement of 50% of one month employment cost to company (one-time), up to a maximum of ₹ 50,000 for male employees and ₹ 60,000 for female employees |

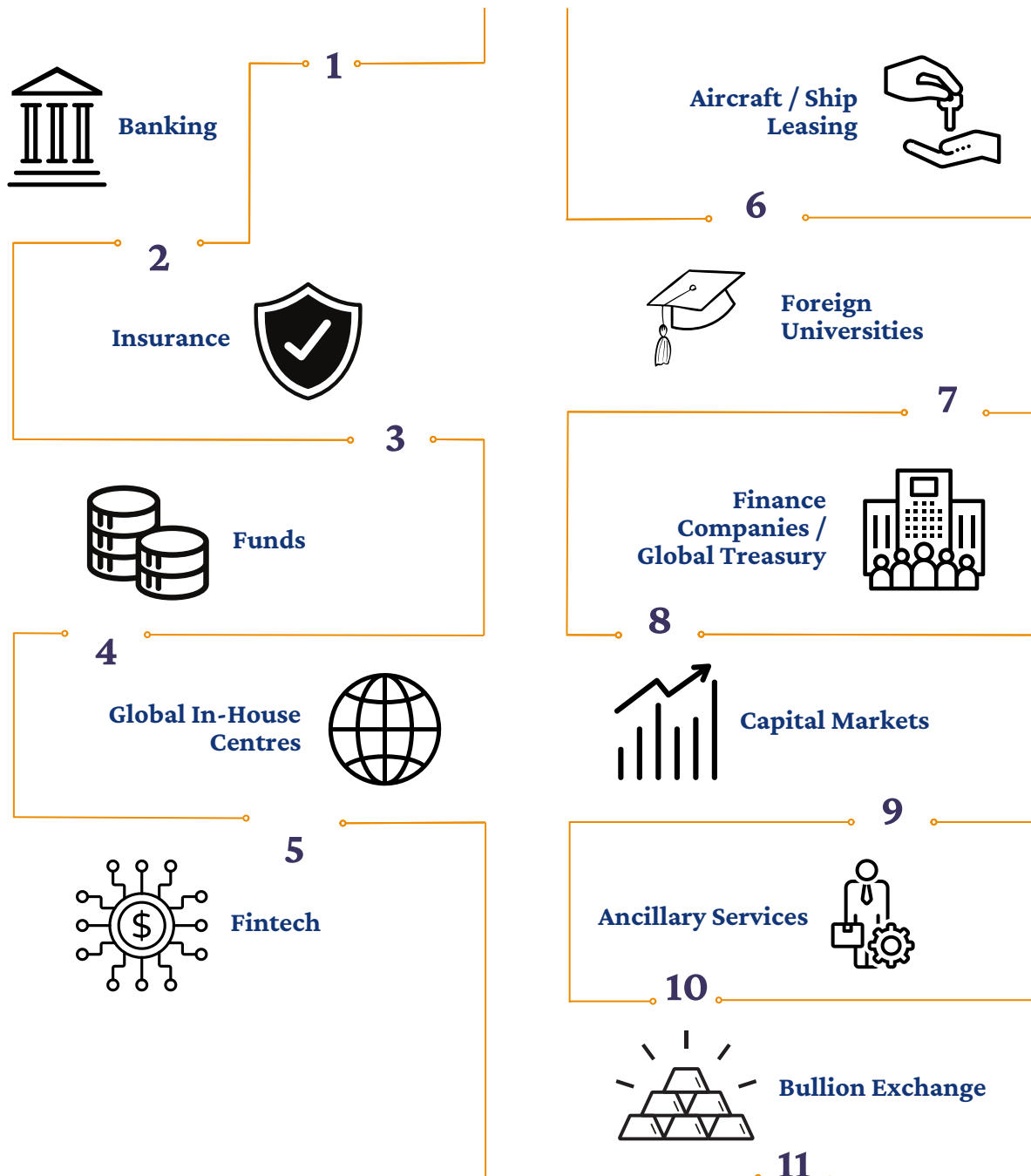
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Primary Business Sectors



2.1 Introduction to Permissible Businesses at GIFT City

As a booming business hub for international and domestic operations, GIFT City is rapidly emerging as the preferred business destination for a host of industries across Banking, Insurance, Capital Markets, Funds, Global In-house Centres, Fintech, Aircraft Leasing, Foreign University, Finance companies, Ship Leasing, and Ancillary Services. Enjoying robust backing from the Governments of India and Gujarat, and featuring India's first and only operational IFSC, which has been set up using next-generation urban planning, strategic location, absolute ease of doing business, and integrated development across commercial, residential, and institutional spaces, GIFT City epitomizes the global urban dream in all its glory.



Section: 3

Diverse Businesses in GIFT City



Section: 3.1

Banks

Banking in GIFT IFSC

Overview

Having earned the moniker of India's gateway to global financial and technological domination, GIFT City has witnessed a stellar financial year in FY2023. With the Prime Minister associating India's vision for the future with the roadmap of GIFT City, the ecosystem is gaining eminence across domestic and global frontiers. In the last financial year, ~140 entities registered at the IFSC were housed within GIFT City, including major global financial sectors stakeholders such as MUFG Bank, BNP Paribas, Citi Bank, HSBC Bank, JP Morgan, and Deutsche Bank.

Key business opportunities for banking units

Commercial Banking

- ECB and Trade Finance
- Factoring Services
- Guarantee and Indemnity Business
- Equipment Leasing
- Structured Deposits
- Credit Enhancement/Insurance
- Risk Mitigation / Participation

Services

- Underwriting the Subscription of Funds
- Custodian of Securities
- Trustee and Fiduciary Services
- Portfolio Management Services (PMS)

Retail Banking

- Private and Wealth Banking
- Structured Deposits
- Distributor of Mutual Fund Units, Insurance, and Other Financial Products
- Investment Advisory Services

International Bullion Exchange (IBE) and Precious Metals

- Importation of Bullion through IBE
- Leasing, Market Making, Hedging and Trading in Spot / Derivative in Bullion
- Bullion Depository
- Receipt Financing
- Gold Saving Account (Retail)
- Gold Accumulation Plans (Retail)

Capital Markets

- Investment Banking
- Act as Primary Dealer
- Derivatives including NDFs: Market Maker
- Trading and Clearing Members of IFSC Stock Exchanges
- Raising of Capital Investments in global and IFSC Exchange

Others

- Foreign Portfolio Investors
- Eligible Foreign Investors
- Referral Services
- Regional Administrative Office
- Remittance

Regulatory Requirements for Setting Up a Banking Unit (BU)

| Consideration | Description |
|---|---|
| Eligibility to Set-up BU | <ul style="list-style-type: none"> Indian and foreign banks (including those not having a presence in India) are eligible to set-up one IBU each at GIFT IFSC. Banks can set up its presence in GIFT IFSC in the form of a subsidiary (IBC) as well. |
| Capital Requirement and Funding for BU | <ul style="list-style-type: none"> IBU: Minimum capital requirement of \$ 20 Mn. is to be maintained at the parent bank on an unimpaired basis, i.e., not weaken or diminished. IBC: Parent bank shall provide necessary capital for the IBC, subject to a minimum of \$ 50 Mn. Permitted to raise funds in foreign currency only from non-residents |
| Exemption from Reserve Requirements | The liabilities of the IBU are exempt from both Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements of RBI |
| LCR and NSFR Requirements | LCR and NSFR to / can be maintained at the parent level (with approval from the IFSCA) |
| Regulations of the Home Regulator | <ul style="list-style-type: none"> Required to comply with the directions / instructions issued by the home regulator (unless otherwise specified by the IFSCA) Further, required to follow AML, CFT and KYC guidelines issued by IFSCA, as against the RBI guidelines |
| Currency of Operations | Transactions in specified foreign currencies. Can maintain Special Non-Resident Rupee Account (SNRR) for meeting administrative expense. |
| Operational Points | IFSCA has issued handbooks on the operational aspects of the IBU, focusing on products for the IBUs, mandatory staffing requirement – controlled functions, designated functions, governance body at the head office, outsourcing norms, etc. |



Competitive Edge for Foreign Banks

| Consideration | Description |
|--|---|
| External Commercial Borrowings (ECBs) to Indian companies | <ul style="list-style-type: none"> GIFT IFSC is considered as an offshore jurisdiction from Indian Exchange control perspective, allowing IBUs to undertake ECB arrangements with Indian entities. 10 year tax holiday, resulting in no tax grossing up for borrower and thereby leading to reduced cost of borrowing (subject to nil withholding certificate of IBUs). Competitive business advantage over the banks providing ECB from a foreign jurisdiction. |
| Non-Deliverable Forward (NDF) | <ul style="list-style-type: none"> Banks set up in India are restricted from offering NDF contracts in India or outside as per the RBI regulations. GIFT IFSC being outside the purview of RBI, NDF contracts can be offered out of the IBU to non-residents. Also, having an IBU permits other Indian branches of the parent bank to offer NDF to Indian residents. This will offer enhanced currency hedging opportunities to the customers. |
| Acquisition Financing | <ul style="list-style-type: none"> ECB regulations do not permit lending for equity investments. India's Finance Budget 2023 permitted acquisition financing by IBUs of foreign banks in GIFT IFSC. Addressing this regulatory hurdle, GIFT IFSC potentially assists in reducing the cost of financing for equity investments. |
| Foreign Portfolio Investment (FPI) | <ul style="list-style-type: none"> Foreign banks operating banking units in GIFT IFSC can register themselves as FPIs and invest in the Indian Capital Markets Enjoy concessional income-tax rates applicable to FPIs |
| Participatory Notes | <ul style="list-style-type: none"> Offshore derivative investments (ODIs) are permitted to be issued by the FPIs set up in the GIFT IFSC, with equity shares or debt securities as underlying assets. Foreign banks operating an IBU in GIFT City and having an FPI license can issue ODIs to offshore investors under the SEBI FPI Regulations ODIs from GIFT IFSC can be issued with the following as the underlying assets: <ul style="list-style-type: none"> a. Indian Government Bonds b. State Development Loans Securities listed in section 2(h)(i) of the Securities Contract (Regulation) Act, 1956 (i.e., Indian corporate bonds, Indian equities, etc.) |
| Aircraft and Ship Leasing | Foreign banks, having an IBU in GIFT IFSC, can provide finance for undertaking ship leasing and aircraft leasing activities. |

Taxation Aspects

- Income of non-resident on transfer of Non-Deliverable Forward (NDF) contracts entered with IBU are exempt from tax, provided that the IBU commences operations before March 31, 2023
- No Tax Deducted at Source (TDS) is generally deducted on interest payout by IBUs

Tax regime for investment division of an IBU, commencing operations before March 31, 2024

| Nature of income | Proposed Tax Rate |
|---|----------------------------------|
| Capital gains on equity shares | 10% for LTCG, 15% / 30% for STCG |
| Capital gains on debt / derivatives / offshore securities | Exempt |
| Dividend and interest income | 10% |
| Business income from securitisation trust | Exempt |
| Income from offshore securities | Exempt |

Taxation incentives

| Consideration | Description |
|------------------------------------|---|
| Corporate Tax | <ul style="list-style-type: none"> Tax Holiday - Deduction under section 80LA of the Income-tax Act, 1961 - 100% profit linked deduction for 10 consecutive years, at the option of the taxpayer, out of 15 years commencing from the year in which the regulatory approval is received Lower base MAT rate of 9% (plus applicable surcharge and education cess) - only applicable to a few companies |
| Specified Fund Regime | <ul style="list-style-type: none"> Applicable to the Investment division of the IBU - Tax exemption on transfer of securities (other than shares of Indian company), income from securities outside India Capital gains exemption on transfer of specified securities in GIFT IFSC |
| Exemption for Non-residents | <ul style="list-style-type: none"> Interest income of Non-resident on money borrowed by the GIFT IFSC unit is tax exempt Income of Non-resident from transfer of Non-deliverable forward contract/ Offshore derivative instrument (ODIs)/ Over the counter derivative entered with the Banking unit in GIFT IFSC is tax exempt An exemption is also provided on any income distributed by IBUs to non-residents on such ODIs |
| GST and Other Exemptions | <ul style="list-style-type: none"> No GST on services received by units in GIFT IFSC or provided to GIFT IFSC units/ offshore clients No CTT / STT / GST / Stamp Duty Incentives under Gujarat IT/ITeS Policy (2022-27) |

Banking Units in GIFT IFSC

Foreign banks in GIFT IFSC



Other banking units in GIFT IFSC



Note: Please refer to page 103 for the fee structure

A close-up photograph of a hand holding a blue rectangular card. On the card, there is a white icon of a family (two adults and a child) under a white umbrella. The word 'Insurance' is written in white on the card. The background is dark and out of focus.

Section: 3.2

Insurance

Insurance in GIFT IFSC

Overview

IFSCA (Registration of Insurance Business) Regulations, 2021 have been issued in October 2021, to replace the IRDAI IIO Guidelines. With the flexibility accorded to Insurance Intermediaries (IIOs) in the new regulations, GIFT IFSC can become an attractive destination for multiple insurance products.

Eligibility and permissible activities

Direct Insurance – Indian Insurance Companies and Foreign Insurers

Offshore direct insurance business including direct insurance business from global subsidiaries of Indian conglomerate companies / individuals present in any offshore location

Direct insurance business in GIFT IFSC and other SEZs, and introduction of new managing general agents



Reinsurance – Indian and Foreign Insurers

Offshore reinsurance business of cedents / insurers present in any offshore location

Reinsurance business of the cedents in GIFT IFSC

Reinsurance business emanating from India subject to IRDA regulations on reinsurance prescribed in India



Insurance Intermediary Guidelines

Eligibility conditions to set up an insurance or reinsurance office in GIFT IFSC

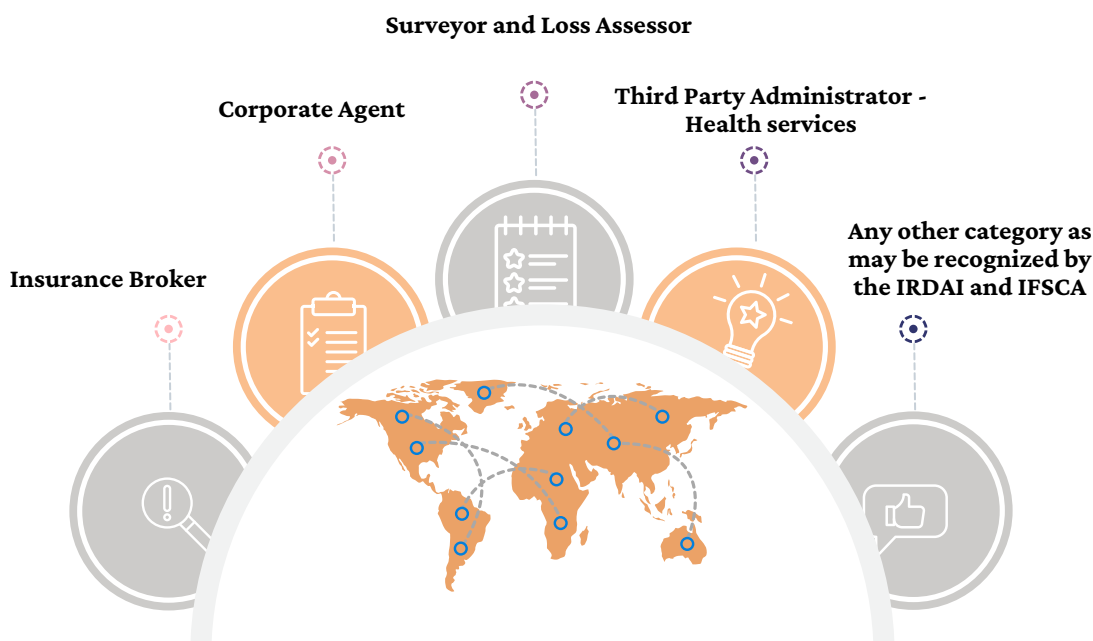
- The applicant and its promoters, partners, or controlling shareholders shall be from a FATF-compliant jurisdiction and comply with international standards set by the FATF to combat money laundering and terrorism financing
- Fit and proper criteria to be maintained by such applicant
- The Indian insurer or reinsurer, foreign insurer or reinsurer, branch office of foreign insurer, or Lloyd's India registered by the IRDAI setting up a place of business in GIFT IFSC shall satisfy the additional eligibility conditions
- A public company or a wholly-owned subsidiary desirous of setting up an IIO in GIFT IFSC shall be a company limited by shares formed and registered under the Companies Act, 2013
- An insurance co-operative society desirous of setting up an IIO in GIFT IFSC shall be a cooperative society registered under the Co-operative Societies Act, 1912, or Multi-State Cooperative Societies Act, 1984, or any other law for the time being in force relating to co-operative societies
- A body corporate incorporated outside India, not being of the nature of a private company, desirous of setting up its place of business in GIFT IFSC shall meet certain requirements
- Other net worth and minimum paid-up capital requirements to be followed

IIO as 'place of business' of an Indian insurer, branch office of the foreign insurer, foreign re-insurance, MGA or Lloyd's shall maintain solvency margin in the home country as stipulated by its home country regulatory or supervisory authority

A public company, a wholly owned subsidiary of an insurer or a reinsurer, an insurance co-operative society or a body corporate registering an IIO in GIFT IFSC shall maintain such solvency margin as may be specified by the IFSCA

Any person or entity (applicant) who holds a valid certificate of registration issued by the IRDAI in India, may seek authorisation to act as an IIO.

The permitted categories of insurance intermediaries are as follows



Regulatory Requirements on Insurance

➤ Equity capital requirements for incorporated insurer

Direct Insurer: ₹ 100 Cr

Reinsurer: ₹ 200 Cr

Note: Equity Capital shall be maintained within IFSC

➤ Assigned capital requirement for branch office of (re)insurer

\$ 1.5 Mn.

Note: May be maintained at parent entity

➤ Net owned funds requirements

For reinsurance business by the branch office of foreign re-insurer - ₹ 1,000 Cr*

➤ Solvency for incorporated IIO

Present regime: Factor-based solvency

Work in progress for implementation of Risk Based Supervisory Framework (RBSF)

➤ Maintenance of required solvency

Reinsurer in incorporated form - shall maintain within GIFT IFSC

Branch Office - May maintain at home country as per required regulatory requirements

*on specified securities transferred on recognised stock exchanges in IFSC



Note: Please refer to page 104 for the fee structure



Section: 3.3

Capital Markets

Capital Markets in GIFT IFSC

Overview

Capital markets in GIFT IFSC constitute of the following participants:



Stockbrokers, Sub-Brokers, and Underwriters



Merchant Bankers, and Trustees



Investment advisors, Portfolio managers, and Clearing Members



Custodians, and Clearing houses



Depository Participants, and Credit Rating Agencies

List of Products traded on GIFT IFSC Exchanges

BSE and NSE have set up their exchanges in GIFT City - India INX Ltd. and NSE IFSC Ltd. respectively.

| Index Futures and Options | Single Stock Futures and Options | Commodities Futures | Currency Futures and Options | Debt |
|---|--|---|-------------------------------|--|
| NIFTY 50 Index | India INX – 100+ FandO Stock | Gold (32 troy ounce) | Euro – US Dollar | Medium Term Notes |
| NIFTY Bank Index | NSE IFSC – 200+ FandO Stock | Silver (1000 troy ounce) | Pound – US Dollar | FCY bonds |
| NIFTY IT Index / NIFTY Financial Services Index | Global Stocks – 5+ FandO stock trading offered | Aluminum, Lead, Copper, Nickel, and Zinc | Japanese Yen – \$ | Depository Receipts |
| S&P BSE Sensex | | Brent crude oil | Australian Dollar – US Dollar | Green / Social / Sustainable Bonds (FCY) |
| | | | Switzerland Franc – US Dollar | |
| S&P BSE India 50 | | Access through INX Global Access Platform | ₹ – \$ Dollar | Masala Bonds (₹) |

\$ 67Bn.+ monthly turnover on GIFT IFSC Exchanges (September 2023)

Cumulative Debt listing on GIFT IFSC Exchanges \$ 52Bn.+ (September 2023)

GIFT NIFTY brings liquidity (daily open interest \$ 10-12 Bn.)

All Contracts Trade and Settle in US Dollars

| | | | |
|----------------------------------|--|---------------------------------|--------------------------------|
| Single Stock 3 Month Expiries | Equity Indices 3 Month Expiries 7 weekly expiries for Bank Nifty Options | Commodities 3 Month Expiries | Currencies 3 Month Expiries |
|----------------------------------|--|---------------------------------|--------------------------------|

Eligible Investors

- Person resident outside India (foreign investors)
- Non-Resident Indian (permitted by SEBI but subject to RBI concurrence)
- Non-individual resident in India who is eligible under FEMA
- Individual resident in India subject to LRS limit

- Foreign investors in GIFT IFSC exchanges are classified as -
 - FPIs registered with SEBI, and
 - Eligible Foreign Investors (foreign investors other than FPIs).
- Investments by FPIs in GIFT IFSC exchanges are treated as 'capital assets' and resultant gains are chargeable to capital gains tax in India. Investments by Eligible Foreign Investors are treated as 'debentures'.
- Regulations have been notified for the issuance and listing of securities in GIFT IFSC.
- Branch of non-bank custodian is permitted to become a clearing member of a clearing corporation in GIFT IFSC.

Segregated Nominee Account (SNA) structure

Globally, SNA structure is popularly known as an Omnibus Trade Structure with its own variants and is prevalent in all major offshore jurisdictions outside India. **This is the first time such a structure is allowed in India.**

SNA is equivalent to an omnibus structure prevalent in offshore jurisdictions

This means that foreign portfolio investors can now trade on GIFT exchanges, namely India INX and NSE IFSC, through authorised brokers

FPIs will no longer need to register themselves and face the compliance hurdles. The broker will not be required to declare the identity of these foreign investors upfront but will need to provide the beneficiary information to the regulator in case of any suspicious transactions

GIFT IFSC Exchanges - Eligible investors and providers



Entities eligible to become providers

- IFSCA registered brokers
- IFSCA registered FPIs
- Trading or Clearing Members of International Stock Exchanges (from FATF compliant jurisdictions)



Compliance requirements for providers

- Registering with GIFT IFSC exchanges or clearing corporations
- Fulfilling eligibility criteria including minimum net worth
- Sharing end-client information with GIFT IFSC exchanges



KYC requirements for end clients

- Provider to conduct due diligence of clients as per global standards for KYC, AML
- Each end client to provide Legal Entity Identifier (LEI) to ensure that they have only one account
- Each end client will be offered an UCC by exchanges / clearing corporation



Order limit, position limit, and margining

- Margining is at the gross open position level
- Reporting of positions at level of end clients, providers, and trading & clearing members, as applicable

Membership of Stock Exchanges and Clearing Corporations in GIFT IFSC

In an attempt to streamline the laws pertaining to different capital market intermediaries operating in GIFT IFSC, such as broker-dealers, portfolio managers (covered by FME regulators), depository participants, credit rating agencies, custodians, etc., the IFSC Authority has issued 'IFSCA (Capital Market Intermediaries) Regulations, 2021' to provide a comprehensive regulatory framework for various capital market intermediaries based on internationally recognised principles.

A stockbroker may set up a presence in GIFT IFSC by establishing a branch or forming company, LLP, body corporate, partnership firm, proprietorship firm or any other form as may be permitted by the IFSCA. Branch structure is permitted only when the broker is already registered or regulated in India or a foreign jurisdiction for conducting similar activities.

Key guidelines for setting up and operating as branch of foreign broker in GIFT IFSC

Eligibility of foreign entity

- The entity is from a FATF compliant jurisdiction
- The entity is a stockbroker / clearing member regulated by a securities markets regulator in their home jurisdiction
- The entity has adequately ring-fenced the operational, technology and financial aspects of its branch in GIFT IFSC from its overseas operations

Registration Process

- The entity is required to obtain a certificate of registration from the IFSCA prior to commencement of operations of its branch office
- No separate registration required for a IFSCA registered stockbroker, to act as a clearing member in GIFT IFSC
- Registration Fee - \$ 1,000

Designated Director / Compliance Officer

The branch is required to have a designated director / compliance officer for ensuring timely execution of compliance and regulatory reporting functions



Membership of stock exchanges and clearing corporations in GIFT IFSC

Fee, deposits, and net-worth requirements for entities

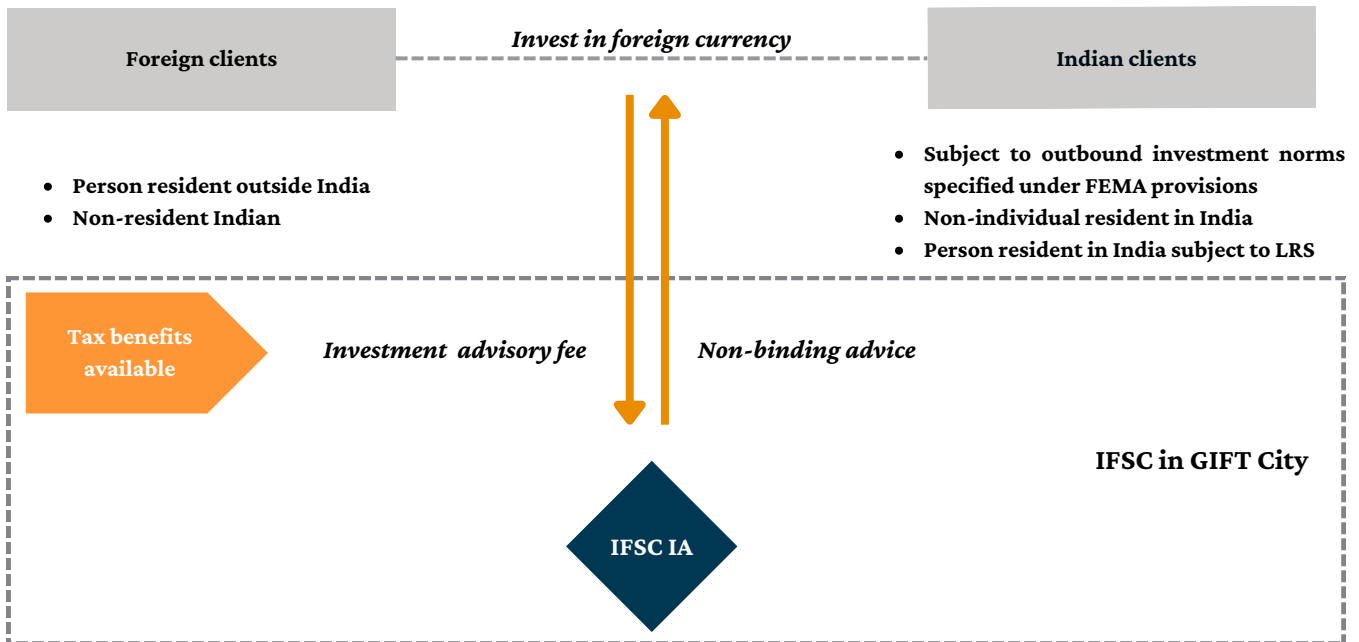
| Types of membership | Application processing fee (\$) | Annual membership fee (\$) | | Interest-free deposit (Refundable) (\$) | | Total deposit (\$) | Net-worth requirements (\$) |
|---|---------------------------------|----------------------------|----------------------|---|----------------------------------|-------------------------|-----------------------------|
| | | Exchange | Clearing Corporation | Exchange | Clearing Corporation (India ICC) | | |
| Trading member | 500 | 3,000 | - | 10,000 - 15,000 | - | 10,000 - 15,000 | 1,35,000 |
| Trading member and Self-clearing member | 500 | 3,000 | 10,000 | 10,000 - 15,000 | 75,000 | 85,000 - 90,000 | 6,75,000 - 7,50,000 |
| Trading member and Clearing member | 500 | 3,000 | 10,000 | 10,000 - 15,000 | 75,000 - 85,000 | 85,000 - 1,00,000 | 13,50,000 - 15,00,000 |
| Professional clearing member | 500 | - | 10,000 | - | 1,00,000 | 1,00,000 | 13,50,000 - 15,00,000 |



Investment Advisers (IA) in GIFT IFSC

Evolution of IA regime in GIFT IFSC

The IFSC Authority has issued **IFSCA (Capital Market Intermediaries) Regulations 2021**, to provide a comprehensive regulatory framework for various capital market intermediaries including investment advisers based on internationally recognised principles.



Minimum requirements

01

Registration Process

IA can be set up as a branch, Company, Limited Liability Partnership, Body Corporate, partnership firm, proprietorship firm, or any other form as permitted by the IFSCA

02

Separate License

Certain persons shall not be required to seek separate registration as an investment adviser in GIFT IFSC subject to criteria specified

03

Net worth

- Minimum net worth for IA in GIFT IFSC –
 - \$ 500,000 for entities incorporated in India
 - \$ 1 Mn. for foreign entities
- In case IA in GIFT IFSC is unable to satisfy this requirement, net worth of its parent can be considered.
- Net worth to be maintained separately and independently for each activity undertaken, as required under other relevant regulations.

04

Investment Advisory Services

An IA in GIFT IFSC can provide services only to:

1. A person resident outside India
2. A non-resident Indian
3. A non-individual resident in India who is eligible under FEMA to invest funds offshore, to the extent of outward investment permitted; and
4. An individual resident in India who is eligible under FEMA to invest funds offshore, to the extent allowed under the Liberalized Remittance Scheme of Reserve Bank of India.

Issuance and Listing of Securities in GIFT IFSC

International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021

Follow-on public offer of specified securities by a listed issuer

Initial public offer of specified securities by an unlisted issuer

Initial public offer of specified securities by a Special Purpose Acquisition Company

Listing of specified securities by a start-up company or a SME

The IFSC Authority has notified a regulatory framework for issuance and listing of various securities in IFSC, India

Listing of depository receipts

Secondary listing

Listing of ESG focused debt securities

Listing of debt securities (including SMART City bonds)

Direct listing of Indian companies abroad is now allowed at GIFT IFSC

Eligibility criteria

- Companies incorporated in IFSC / India / foreign jurisdiction are eligible to list their securities in GIFT IFSC stock exchanges
- Various other entities like multilateral institutions, municipality/ statutory bodies established under Central or State Acts, SPVs notified by Central or State Governments, etc. have also been permitted to list debt securities in GIFT IFSC stock exchanges

Fee structure

| Type of Listing | Fee amount (\$) |
|--|---|
| IPOs and FPOs of specified securities | 0.05% of the offer size |
| Startup and SME companies | |
| - Listing without public offer | NIL |
| - Listing with public offer | 0.025% of the offer size |
| Special Purpose Acquisition Companies | 0.05% of the offer size |
| Depository Receipts | 0.05% of the offer size |
| Debt Securities | |
| - Public issue | 0.00025% of the offer size subject to a minimum fee of \$ 1,000/- |
| - Private Placement | \$ 1,000 |
| Secondary listing (without public offer) - specified securities, debt securities and depository receipts | NIL |

In the case of primary listing simultaneously on both the exchanges in GIFT IFSC, a total fee of \$ 1,000 shall apply

Recognition as Custodian of Assets/Securities

Custodian regime in GIFT IFSC

Registration process

- > Custodian can set up as a branch, Company, Limited Liability Partnership, Body Corporate, partnership firm, proprietorship firm, or any other form as permitted by IFSCA

Net worth

- > Minimum net worth for Custodian in GIFT IFSC is \$7 Mn. for entities incorporated in India and for foreign entities it should be as prescribed by IFSCA from time to time

Branch structure

- > Branch structure is permitted only for an intermediary which is already registered or regulated in India or a foreign jurisdiction for conducting similar activities

Financial Segregation

- > A custodian operating as a branch in GIFT IFSC shall ensure financial segregation by allocating the amount specified by IFSCA towards its branch in GIFT IFSC and shall submit a declaration to the IFSCA in this regard

Branch structure

- > Separate agreement with each client providing details regarding the various circumstances relating to custody
- > Adequate mechanisms for the purpose of reviewing, monitoring and evaluating systems, controls, procedures and safeguards
- > Adequate internal controls to prevent manipulation of records and documents

Fee

- > Application Fee - \$ 1,000
Recognition Fee - \$ 3,500
Processing Fee - 20% of the recognition Fee

Validity of Registration

The certificate of registration with IFSCA shall be valid for such period as may be prescribed by the authority unless it is suspended or cancelled by the authority.

Section: 3.4

Fund regime



Fund Management Entities (FMEs) in GIFT IFSC

Overview

Based on the comprehensive report submitted in January 2022 by the Expert Committee on Investment Funds, draft regulations were issued by IFSCA for public comments. On April 2022, the IFSCA issued IFSCA (Fund Management) Regulations, 2022.

Key attributes of FME

| Particulars | Categories of FME | | |
|--|---|---|--|
| | Authorised FME | Registered FME (Non-Retail) | Registered FME (Retail) |
| Types of schemes managed | Venture Capital Schemes offered on a private placement basis | Venture Capital Schemes and Restricted Schemes offered on a private placement basis | All schemes including retail schemes offered to all investors including retail investors |
| Legal structure of the FME | Company, limited liability partnership (LLP) or branch | | Company |
| Minimum number of employees (based out of GIFT IFSC) | 1 (1 Principal Officer for overall activities) | 2 (1 Principal Officer for overall activities + 1 Compliance and Risk Manager) | 3 (1 Principal Officer for overall activities + 1 Compliance and Risk Manager + 1 Additional Key Managerial Personnel for fund management) |
| FME experience | FME to employ such employees who shall have relevant experience | | <ul style="list-style-type: none"> FME / holding company to have > 5 years of experience in managing AUM of at least \$ 200 Mn. with more than 25,000 investors; or At least 1 person in control, holding more than 25% shareholding in the FME to have at least 5 years of experience in financial services <p>FME to employ such employees who shall have relevant experience</p> |
| Experience and professional qualifications of Key Managerial Personnel (KMP) | <p>Professional qualifications: A professional qualification or postgraduate degree or post-graduate diploma (minimum 2 years) in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a recognised university / institution or a certification from any organisation / institution / association / stock exchange which is recognised / accredited by the Authority or a regulator in India / foreign jurisdiction</p> <p>Experience: At least 5 years in related activities in the securities market or financial products including in a portfolio manager, broker-dealer, investment advisor, wealth manager, research analyst, or fund management</p> | | |
| Minimum number of directors / partners in the FME | | | 4 (At least 50% to be independent and not associated with FME) |

Fund Management Entities (FMEs) in GIFT IFSC

Categories of FMEs

01

Authorised FME

- Pooling of money from accredited investors or investors investing above \$ 250,000
- Invest in start-up or early-stage ventures through Venture Capital Scheme
- Family Investment Funds
- Minimum net worth: \$ 75,000

02

Registered FME (Non-Retail)

- Pooling of money from accredited investors or investors making capital commitment above \$ 150,000
- Portfolio Management Services, Multi Family Offices, Investment Manager for private placement of REITs and InvITs
- Minimum net worth: \$ 500,000
- Allowed to undertake all activities of Authorised FMEs

03

Registered FME (Retail)

- Pooling of money from all investors or including retail investors
- Public offer of Investment Trusts (REITs and InvITs), Launch of ETFs
- Minimum net worth: \$ 1,000,000
- Allowed to undertake all activities of Authorised FMEs and Registered FME (Non-retail)

Categories of schemes

01

VENTURE CAPITAL SCHEME

- Launched by FMEs – schemes that invest primarily in start-ups, early-stage VC undertakings involved in new products, services, technology etc. also includes an Angel Fund
- Offered only on a private placement basis (including accredited investors) and shall have less than 50 investors
- **Green channel** for subscription by investors

02

RESTRICTED SCHEME

- Offered only to relevant persons on a private placement basis (including accredited investors) and shall have less than 1,000 investors
- 'Green channel' if subscription is to be raised only from accredited investors
- Launched by Registered FME

03

RETAIL SCHEME

- A minimum of 20 investors, ensuring that no single investor contributes more than 25% of the total capital. There are no restrictions on the maximum capital limit.
- Schemes offered to all investors including retail investors
- Schemes can be:
 - filed with regulator only after approval from fiduciaries;
 - launched only after incorporating all comments from regulator in the offer document
- Launched by Registered FME (Retail)

Regulations for FMEs in GIFT IFSC

Regulating Fund Manager vs. Fund

A paradigm shift in exercise of regulatory oversight through regulation of fund managers as compared to regulation of Funds under the earlier regime

Regulatory Oversight

Fund manager to obtain registration from IFSCA and requirement for launching of Funds/ Schemes to be fine-tuned based upon the investor classes

Risk- based Approach

Three categories of FME have been notified

- With least regulatory oversight
- With moderate regulatory oversight
- With high regulatory oversight

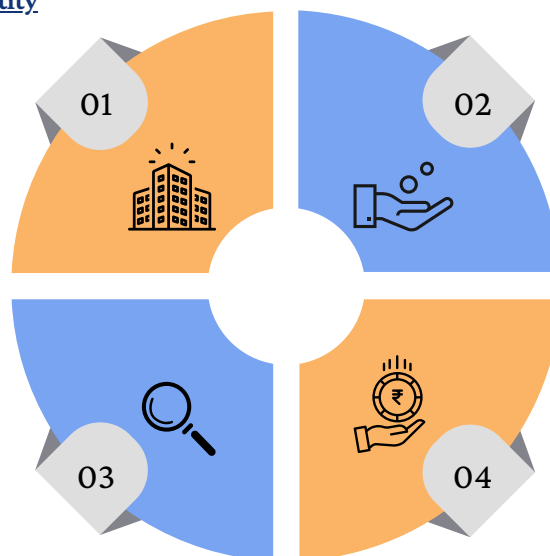
Construct of the regulations

Fund Management Entity

- Authorised FME
- Registered FME (Non – Retail)
- Registered FME (Retail)

Focus Areas

- Special Situation Funds
- ETFs
- ESG



Fund / Schemes

- Venture Capital Schemes
- Restricted schemes (non-retail schemes)
- Retail Schemes

Other Fund Management Activities

- Portfolio Management Services
- Investment Trusts
- Family Investment Funds
- Feeder structure

The notified Regulations mention that the respective Schemes 'may' be construed as Category I / II / III AIF under, inter-alia, the Income-tax Act, 1961

Fund Management Entities (FMEs) in GIFT IFSC

FME Contribution: Skin-in-the-game

| Targeted Corpus (TC) | Minimum / Maximum | Types of Schemes | | |
|----------------------|-------------------|--|------------------------------|---|
| | | Venture Capital Scheme/ Close ended Non-retail scheme | Open ended Non-retail scheme | Retail schemes |
| Less than \$ 30 Mn. | Minimum | 2.5% of TC | 5% of TC | Lower of: (a) 1% of AUM of the scheme or (b) \$ 200,000 |
| | Maximum | 10% of TC | 10% of TC | - |
| More than \$ 30 Mn. | Minimum | \$ 750,000 | \$ 1,500,000 | Same as above |
| | Maximum | 10% of TC | 10% of TC | - |

- Contribution requirements to be fulfilled by FME or its associates within 45 days, unless exempted and to be maintained on ongoing basis
- The contribution requirements by the FME is not mandatory in following cases:
 - In case of VC schemes and Restricted schemes (Non-retail):
 - At least 2/3rd of the investors in the scheme by value permit waiver of such contribution;
 - At least 2/3rd of the investors in the scheme are accredited investors; or
 - FOF scheme investing in a scheme which has similar such requirements (applicable in case of Retail schemes)
 - In case of relocation of funds/ schemes established or incorporated or registered outside India to GIFT IFSC

Fund Management Entities (FMEs) in GIFT IFSC

Key attributes of Schemes

| Particulars | Categories of Schemes | | |
|---|---|--|---|
| | Venture Capital Scheme | Restricted Scheme | Retail Scheme |
| Legal Structure | Company, LLP or Trust | | Company/ Trust |
| Type of Fund/ Scheme | Close-ended | Open-ended or Close-ended | |
| Corpus | Minimum – \$ 5 Mn. Maximum – \$ 200 Mn. | Minimum – \$ 5 Mn. Maximum – No limit | |
| Minimum number of investors in the scheme | - | - | |
| Maximum number of investors in the scheme | < 50 | < 1000 or such higher limit as may be prescribed by the IFSCA | No restrictions |
| Minimum contribution or capital commitment from an investor in the scheme | Accredited investors – None Other than Accredited investors - \$ 250,000 Employees/ Directors/ Designated Partners/ Partners of FME – \$ 60,000 | Accredited investors – None Other than Accredited investors – \$ 150,000 Employees/ Directors/ Designated Partners/ Partners of the FME – \$ 40,000 | Open-ended schemes – None Close ended schemes - Minimum investment to be \$ 10,000 No restriction to close-ended schemes investing less than 15% in unlisted securities |
| Maximum holding by a single investor in the Fund or Scheme | None | None | 25% |
| Asset classes | Primarily in unlisted securities of start-ups, specified VCUs | Several asset classes including listed securities, unlisted securities, derivatives, etc. Close ended schemes – Up to 20% of corpus may be invested in physical assets such as real estate, bullion, art or any other physical asset as specified | Several asset classes including listed securities, unlisted securities, derivatives, etc. |

Fund Management Entities (FMEs) in GIFT IFSC

Key attributes of Schemes (continued)

| Particulars | Categories of Schemes | | |
|--|---|--|--|
| | Venture Capital Scheme | Restricted Scheme | Retail Scheme |
| Investment restrictions | At least 80% of AUM to be invested in companies incorporated for < 10 years or other venture capital scheme's investment in its associate subject to prior approval of 75% investors in the scheme by value | Investment in associate entities subject to prior approval of 75% investors in the scheme by value | Capital on investment in single investee company – 10% of AUM; 15% subject to prior approval of the fiduciaries (not applicable in case of Index schemes) Capital on investment in a single sector – 25% of AUM (50% for financial service sector) (not applicable in case of sectoral / thematic / Index schemes) Capital on investment in its associate – 25% of AUM |
| Capital on investment in unlisted securities | None | Open ended scheme – 25% of the corpus of the scheme Close ended scheme – No such restriction | Open-ended: 15% of the AUM of the scheme Close-ended – 50% of the AUM of the scheme |
| Leverage | Permissible subject to disclosure of maximum leverage and methodology for calculation of leverage in the placement memorandum deviations subject to approval of 2/3rd investors by value | | Permissible only for meeting temporary liquidity requirement (for meeting redemptions or dividend payments) up to 20% of the AUM of the scheme and the duration of such borrowing to not exceed 6 months |
| NAV disclosure | Yearly | Open-ended scheme – Monthly Close-ended scheme – Half-yearly | Open-ended scheme – Daily Close-ended scheme – Weekly |

Fund Management Entities (FMEs) in GIFT IFSC

Special situations funds

Permissible activities

- > Stressed loan available for acquisition
- > Security receipts (SRs) issued by an Asset Reconstruction Company (ARC) registered with the RBI
- > Securities of investee companies whose
 - stressed loans are available for acquisition,
 - against whose borrowings, SRs are issued by an ARC,
 - whose borrowings are subject to corporate insolvency resolution process, etc.



| | |
|--|--|
| Category of FME to launch a Special Situation Fund | Registered FME |
| Type of Fund | Close - ended fund |
| Legal structure of the Fund | Company or LLP or Trust |
| Permissible Investments | Only in special situation assets |
| Leverage | Not permissible other than to meet day-to-day operational requirements |
| Scheme corpus, eligible investors, investment conditions | As may be specified by IFSCA from time to time |
| Computation of NAV, contribution by FME in the Fund/ scheme and other disclosure/ valuation norms | To apply as applicable to close - ended Restricted schemes |

Fund Management Entities (FMEs) in GIFT IFSC

Exchange Traded Funds (ETFs)

Permissible activities

- > Registered FMEs (Retail) permitted to launch ETFs in GIFT IFSC
- > Units of ETFs to be mandatorily listed on at least one of the recognised stock exchange in GIFT IFSC
- > Simplified framework may be prescribed by recognised stock exchange(s) for intermediaries to act as market makers

Important aspects

- > NAV: Daily basis
- > Redemption: Option available to investors
- > Material deviation: consent of at least 2/3rd of investors by value

Types of ETFs

Equity/ Debt Index

Replicates index of IFSC/
Indian/ foreign
jurisdiction $\geq 95\%$
(equity)/ 90% (debt) of
total assets

01

Active Managed

FME has discretion over
composition of portfolio
subject to investment
policies

04

Commodity Index

Invest $\geq 90\%$ in specified
commodity or related
security/ investment

03

Gold/ Silver Index

Investment in gold/ silver,
bullion, (with underlying
as gold) $\geq 90\%$ of AUM

02

Other

Subject to approval of
Exchange

05

Fund Management Entities (FMEs) in GIFT IFSC

Environmental, Social and Governance (ESG) Exchange Traded Funds (ETFs)

ESG fund

- > FME launching ESG scheme to make disclosure in the prescribed manner regarding:
 - investment objective,
 - investment policy and strategy
 - material risk, benchmark, etc.
- > Scheme documents shall disclose whether sustainability-related risks are incorporated in decision making
 - Negative statement to be included when sustainability-related risks are not incorporated

FME managing AUM > \$ 3 Bn

- > Establish policy on governance around material sustainability-related risks and opportunities
- > Disclosure in the annual report:
 - How the FME identifies, assesses and manages material sustainability-related risks;
 - Process of factoring sustainability-related risks and opportunities into investment strategies



Fund Management Entities (FMEs) in GIFT IFSC

Portfolio Management Services (PMS)

Eligible FME and clients

- • An entity resident outside India/NRI
- Individual/non-individual residents in India, are eligible to invest offshore as per prescribed regulations and
- Multi-family office
- Minimum ticket size: \$ 150,000
 - minimum investment threshold shall not apply to an accredited investor

Investment Restrictions

- Investment in derivatives, with express consent
- Segregation of client's funds/portfolios from FME's funds/portfolios

Permissible activities

- Securities/financial products in GIFT IFSC, India or foreign jurisdiction
- Discretionary PMS: listed/to-be listed securities, money market instruments, units of investment scheme

Others

- Dealing with client's funds aligned with the existing Capital Market Intermediaries Regulations (CMI)
- Provide advisory services subject to compliance with CMI
- Taxation exemption, Section 10(4F) is applicable



Fund Management Entities (FMEs) in GIFT IFSC

Family Investment Fund

Eligibility criteria

- > Set-up in form of a Company, LLP or Contributory Trust
- > For Contributory Trusts-
 - the beneficiaries should be identifiable, though not specifically named in the Trust deed
 - the share of each beneficiary should be capable of being determined
 - addition of further contributors shall not make existing beneficiaries unknown or their shares
- > Minimum corpus - \$ 10 Mn. within 3 years
- > Borrowing/leveraging is permissible

Permissible activities

- > Activities related to managing Family Office as specified by IFSCA
- > Permissible investments:
 - Securities issued by unlisted entities, also are issued under RBI;
 - Securities listed/to-be listed on stock exchanges (and other investment schemes), in GIFT IFSC, India or foreign jurisdictions;
 - Money market instruments/debt or derivatives;
 - Asset-backed or mortgage-backed securitized debt instruments;
 - Units of mutual funds and alternative investment funds in India and foreign jurisdictions;
 - Investment in Limited Liability Partnerships;
 - Physical assets like real estate, bullion, art, etc., or
 - Any other securities or financial products may be specified



Tax Framework

Under the new Fund Management regulations: the Venture Capital Scheme shall be construed as **Category I AIF under Income-tax Act, 1961 and Restricted Scheme (Retail and Non-Retail) shall be construed either as Category I/ II / III AIF (as the case may be)**

| 01 | 02 | 03 |
|---|--|---|
| Category I and II AIFs | Category III AIFs* | Manager (FME) in IFSC |
| <ul style="list-style-type: none"> • Tax pass through status for AIFs (except for business income) • Investors taxed as if investments directly made by them • Investors can claim losses (subject to condition - holding units for 12 months) • To the extent beneficial, non-resident investors can avail benefit under the Tax Treaty • Income from offshore investments earned by offshore investors through AIF, not taxable in India • PAN and Income-tax return filing exemption for non-resident investors, subject to conditions | <ul style="list-style-type: none"> • Tax paid at Fund level – FPI tax principles to apply • Exemption# from tax on income from • Transfer of securities (excluding shares of Indian company) including debt, derivatives, offshore securities, etc. • Securities issued by non-resident (not being a PE) with no accrual of income in India • Securitization trust chargeable under the head 'PGBP' • Income on transfer of shares in an Indian company is taxable# at: STCG - 15% if STT paid, else 30%; LTCG - 10% • Income in respect of securities (such as interest, dividend) is taxable# at 10% • Investors exempt from tax on any income received from the Category III AIF or on transfer of its units • PAN and Income-tax return filing exemption, subject to conditions | <ul style="list-style-type: none"> • 100% corporate tax exemption for 10 consecutive years out of block of 15 years • MAT/AMT rate reduced to 9% • However, Companies choosing concessional tax regime to be exempt from MAT • Dividend income, concessional rate of 10% in case of non-resident shareholders • No GST on Management Fee |

* All units of Cat III AIF to be held by non-residents other than units held by sponsor or manager

Income taxed at lower rate/ exempted to the extent of income attributable to units held by non-resident investors

Attribution mechanism

The CBDT has notified rules prescribing the method of computation of income of the Category III AIF in GIFT IFSC attributable to units held by non-resident investors.

The key aspects of the attribution mechanism are as follows:

- The attribution mechanism is based on the Assets Under Management (AUM) of the AIF.
- Income arising from transfer of security is attributable on the basis of the average of daily aggregate AUM of the AIF over the period of holding of the security. Income received in respect of securities is attributable on the basis of the AUM as on the date of receipt of income.
- The term 'AUM' has been defined as the closing balance of the value of assets or investments of the AIF as on a particular date.

Relocation of Offshore Fund to GIFT IFSC

The income tax laws have been amended from time to time to incentivise existing funds located in overseas jurisdictions to consider relocating to GIFT IFSC.



Amendments vide Finance Act

Tax neutrality to offshore funds and grandfathering of past investments

- Transfer of assets of Offshore Fund or its WOS to Resultant Fund, upon relocation to GIFT IFSC on or before 31 March 2025 is not regarded as a transfer.
- Consideration for transfer can be discharged to non-resident shareholders of the Offshore Fund or to the Offshore Fund itself, in the form of units/ beneficial interest of the Resultant Fund.
- Exemption provided to non-resident shareholders of Offshore Fund / Offshore Fund on such transfer.
- Capital gains exemption on future sale by Resultant Fund – For exempted “grandfathered” investments.
- Period of holding and cost to the previous owner available to Resultant Fund.
- Deemed income provisions are not applicable.
- Carry forward losses of portfolio company not impacted.

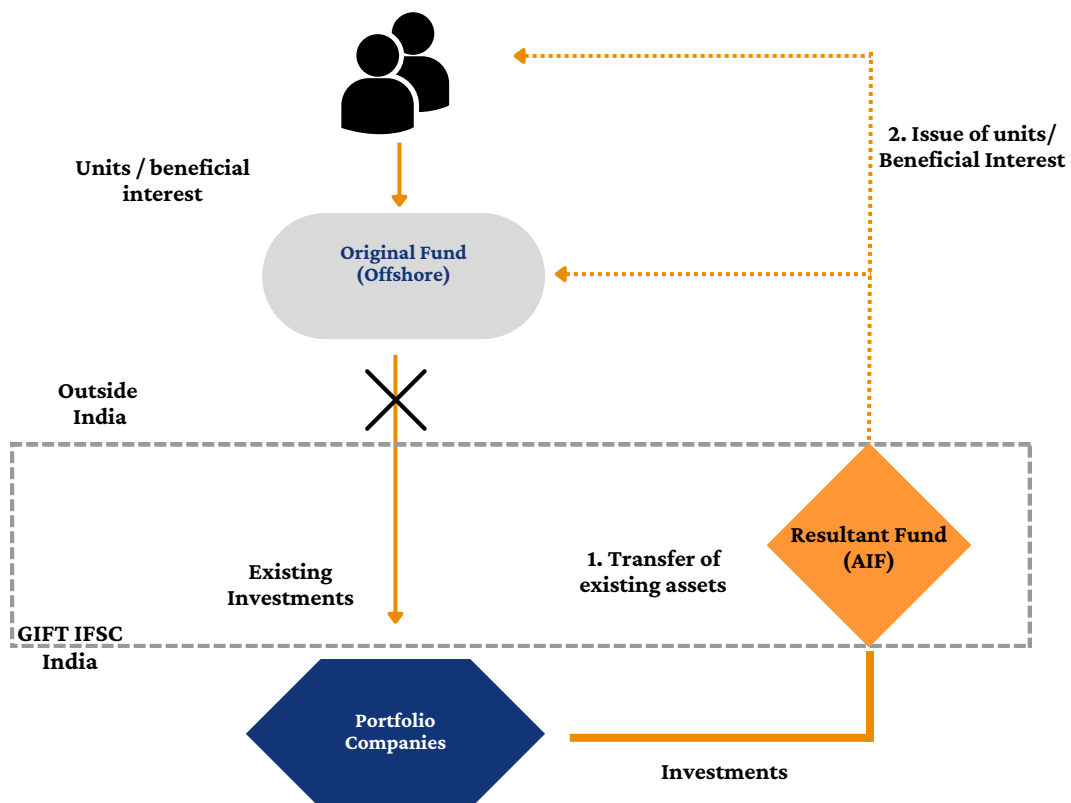


Regulatory relaxations

- Off-market transfer of securities permitted to facilitate relocation.
- Continuing interest requirement for the manager/sponsor has been made voluntary for Resultant Fund.



Relocation to GIFT IFSC Structure



Section: 3.5

Finance companies

Finance Companies / Finance Units in GIFT IFSC

Overview

GIFT City has positioned itself as India's innovative gateway to the global finance ecosystem, as well as the country's government, has underscored its ambitious plans to fuel the smart city towards greater heights. Finance companies at GIFT City are being empowered through a winsome combination of globally standard financial incentives, absolute focus on ease of doing business, and world-class infrastructure and are already witnessing a robust influx of foreign and domestic stakeholders. The presence of a unified regulator, in the form of IFSCA, has also played an imperative role in enhancing the GIFT opportunity for finance companies, with a bevy of international stock exchanges, alternative investment funds, insurance companies, brokers, and offshore banking entities already building a base here.

Form of set-up

1

The form of set up for finance companies performing core activities includes subsidiary, joint venture, company, branch or any other form specified by IFSCA.

2

The form of setup for finance companies performing non-core activities includes subsidiary, joint venture, company, branch, LLP, Trust or any other form specified by IFSCA



Registration requirements

- > Finance companies must obtain a certificate of registration from IFSCA.
- > The Finance Company (FC) / Finance Unit (FU) cannot accept public deposits.
- > The applicant entity and/or its promoters shall be from a FATF-compliant jurisdiction.
- > If an investing entity in an FC/FU is carrying out a regulated financial activity in its home jurisdiction, it shall obtain a no-objection certificate from its home country regulator for setting up an FC/ FU in GIFT IFSC.
- > FC/Parent of FU to maintain a minimum owned fund depending on proposed activity to be undertaken or any higher amount as may be specified by IFSCA.
- > Parent of FU shall provide the capital on an unimpaired basis at all times.

Permissible Activities

A Finance Company or a Finance Unit, as the case may be, may undertake the following permitted core and non-core activities, subject to compliance with such terms and conditions or guidelines as may be specified by the Authority.

Permitted core activities

- Lending in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease, and sale and purchase of portfolios;
- Factoring and forfaiting of receivables;
- Undertake investments, including subscribing, acquiring, holding, or transferring securities or such other instruments, as may be permitted by the Authority;
- Buying or selling of derivatives;
- Global/Regional Corporate Treasury Centres;
- Any other core activity as may be permitted by the Authority.

Permitted non-core activities*

- Merchant Banking
- Authorised person
- Registrar and Share Transfer Agent
- Trusteeship services
- Investment Advisory services
- Portfolio Management services
- Operating lease of any products, including aircraft lease, ship lease or any other equipment as may be specified by the Authority from time to time
- International Trade Financing Services Platform
- Distribution of financial products (including mutual fund units and insurance products)
- Function as trading and clearing members or professional clearing member of exchanges and clearing corporations set up in GIFT IFSC
- Asset Management support services permitted under the Framework for Enabling Ancillary Services as specified by the Authority
- Undertaking to act as facilitators of permissible activities as and when permitted by the Authority
- Any other activity, as may be permitted and classified as a non-core activity by the Authority, under these regulations

The finance ecosystem within GIFT IFSC is divided into several sub-segments, including the bullion industry, International Trade Finance Platforms, and sustainable finance. Each of these segments are currently in their budding phase, with the bullion industry currently comprising of 87 qualified jewellers and 14 bullion suppliers. Key highlights include the import of gold under the UAE - India CEPA being enabled through IIBX, and the completion of the ICEGATE integration for payment of Duty. The launch of gold hedging is another highlight to consider in the bullion industry.

**after seeking a specific registration with IFSCA, wherever applicable*

Key Regulatory Requirements



Capital Ratio

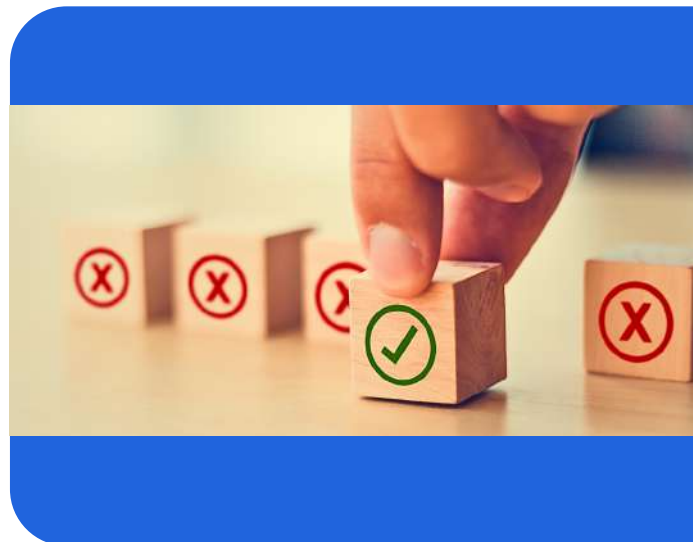
Minimum 8% of regulatory capital to risk-weighted assets or at such percentage as may be specified by the IFSCA

Liquidity Coverage Ratio (LCR)

To be maintained on standalone basis at all times, as may be determined by IFSCA
Parent of FU may be allowed to maintain on behalf of FU on specific approval

Exposure Ceiling (EC)

The sum of all the exposures of a FC/ FU to a single counterparty or group of connected counterparties shall not exceed 25% of its available eligible capital base without the approval of the IFSCA



Operating guidelines

Source of Funds

Source of funds shall be raised from both non-residents as well as residents *

Derivative and Speculative transactions

Core and Non-core activities - Not permitted to undertake or fund any speculative transaction

Core activities

Allowed to buy and sell derivatives

Non-Core activities

Allowed to participate in derivative transactions only for the purpose of hedging their underlying exposures

A FC/ FU intending to undertake either a single or a combination of non-core activities, shall fulfil the following conditions:

1

It shall carry out each such activity through separately identifiable department

2

It shall ensure a fire wall between various non-core activities so that no conflict-of-interest situation arises

3

It shall formulate board approved grievance redressal and customer compensation policy to deal with such complaints

The FC/ FU may undertake transactions in financial products and financial services as part of permissible activities as specified with both residents and non-residents.*

**Any dealings with residents shall be subject to the provisions of FEMA*

Note: Please refer to page 109 for the fee structure

Section: 3.6

Global Treasury

Global Treasury in GIFT IFSC

Overview

‘Global/Regional Corporate Treasury Centre’ means a Finance Company (FC) [through a separate entity] / Finance Unit (FU) [through a branch] registered with the IFSCA for undertaking treasury activities and treasury services for its group entities. ‘Group entities’ or ‘Corporate entities’ means an entity registered with any competent or statutory body in its home jurisdiction and includes its holding, subsidiary or associate companies, branch, joint venture investment, or subsidiary of a holding company to which it is also a subsidiary. GIFT IFSC offers immense opportunities in global/regional corporate treasury centres. The following are the key aspects:



Key Activities



Eligibility and Regulatory Requirements for Setting-up Corporate Treasury Centre in GIFT IFSC

Global/Regional Corporate Treasury Centre: One of the permitted core activities by Finance Companies/Finance Units in GIFT IFSC

Eligibility

- Exclusively cater to its group entities which are domiciled in a jurisdiction not identified by the Financial Action Task Force as 'High-Risk Jurisdictions subject to a Call for Action'
- Any entity can set up a Finance Company in GIFT IFSC to provide corporate treasury services and activities
- Applicant/ Promoters to be from FATF-compliant jurisdiction
- Exemption to the Corporate Treasury Centre from prudential norms such as - Capital Ratio/ Liquidity Coverage Ratio / Exposure Ceiling norms



Registration and NOC

- To be registered under Finance Company regulations
- A No Objection Certificate (NOC) from the home country regulator is required if the parent company carries out regulated financial services activity in the home jurisdiction. This is an exception for the Corporate Treasury Centre
- A minimum owned fund of \$ 0.2 Mn. or an equivalent amount in any other freely convertible currency is required



Eligible service recipients

- Group Entities registered under any law for the time being in force with any competent or statutory body in its home jurisdiction
- To be domiciled in a jurisdiction not identified in the public statement of FATF as 'High-Risk Jurisdictions subject to a Call for Action', unless they are domiciled in any country specified by the GOI by an order or by way of an agreement or treaty



Currency of Operations

- Specified foreign exchange currency only
- A transaction can be undertaken in non-freely convertible currency if the underlying trade flows of its group entities are denominated in non-freely convertible currency
- Treasury Centre may transact in rupee derivatives only where the foreign currency leg is in a freely convertible currency



Permissible Activities



Permitted treasury activities

- Transacting/ investing the funds in specified financial instruments* for managing the cash and liquidity position;
- Transaction in respect of specified contracts**
- Factoring and forfaiting activities;
- Borrowing by collateralizing inventory held;
- Advances and structured credit facilities against future sales/exports;
- Commercial activities only to the extent it serves the purpose of a re-invoicing centre;
- Structured finance transactions;
- Foreign exchange transactions;
- Transacting or investing in stocks and shares of any entity listed on recognized stock exchanges;
- Extending credit facilities by raising short/ long term debt;
- Raising of equity and other form of capital; and
- Any other treasury activities with prior intimation to the IFSCA



Permitted treasury services

- Managing and optimising multi-currency cash/ liquidity management, including cash forecasting, arranging credit facilities and cash pooling;
- Processing payments to vendors or suppliers;
- Managing relationships with financial institutions/ investors in debt or equity instruments;
- Providing corporate finance advisory/ transaction services, intra-group financing/ restructuring, guarantees and remittances;
- Management of investments of the funds;
- Advising/ providing services such as financial risk management, accounting standards, internal treasury policies, regulatory requirements in relation to treasury management, treasury management system operations;
- Providing business planning and coordination including economic or investment research and analysis in connection with any specified treasury services;
- In-house centre providing virtual accounts to undertake settlements without physical remittance of funds;
- Re-invoicing centre as long as such re-invoicing is undertaken for the limited purpose of ensuring that liquidity flows, and financial risk can be aggregated and netted; and
- Any other treasury services with prior intimation to the IFSCA

*Deposits, bank deposits, inter-company deposits, certificate of deposits, bonds and debentures, notes, virtual accounts, money-market funds, repo and securities lending, and other instruments as approved by IFSCA.

**Foreign exchange contracts including hedging for commodities, commodity derivatives, forward, futures, swap, options, commodities, purchase of credit enhancements or derivatives with the intent of reducing credit risk .

**after seeking a specific registration with IFSCA, wherever applicable*

Section: 3.7

Aircraft Leasing

Aircraft Leasing in GIFT IFSC

Overview

As a rapidly expanding global aviation hotspot, India has the potential to transform into the **third-largest aviation market in the next two years**. However, despite the exceptional possibilities, the domestic aviation industry has been mired in financing and leasing challenges. In a concerted effort to boost the aircraft leasing ecosystem in India, the IFSCA has notified aircraft leasing as a financial product. This strategic approach unlocks an untapped opportunity for establishing a viable and flourishing aircraft leasing market within the country's borders. In this scenario, the aircraft leasing function within GIFT IFSC includes an operating lease, a finance lease, and a hybrid of these two functions.

Permissible activities

Under the innovative **Aircraft operating Leasing vertical**, the IFSCA has permitted the following activities

- > Operating lease for an aircraft lease arrangement including sale and lease back, purchase, novation, transfer, assignment, and such other similar transactions in relation to aircraft lease
- > Asset Management Support Services for assets owned or leased out by the entity or by its wholly owned subsidiary (ies) set up in IFSCs in India
- > Operating lease for an aircraft ground support equipment and engine
- > Any other related activity with the prior approval of the IFSCA

Minimum Capital requirement

- > A minimum owned fund of \$ 0.2m (as defined under IFSCA Finance Company Regulations) is to be maintained at all times
- > IFSCA may specify maintenance of additional capital, if any

Permissible activities

Similarly, under the **Aircraft Finance Leasing** segment, the following activities have been permitted

- > Financial lease or a hybrid of financial and operating lease for an aircraft lease arrangement including sale and lease back, purchase, novation, transfer, assignment, and such other similar transactions in relation to aircraft lease
- > Financial lease or any hybrid of financial and operating lease for an aircraft ground support equipment
- > Permitted activities under the Aircraft Operating Lease Framework
- > Any other related activity with the prior approval of the IFSCA

Minimum Capital requirement

- > A minimum owned fund* of \$ 3m is to be maintained at all times by the entity as per the Finance Company Regulations
- > IFSCA may specify maintenance of additional capital, if any

Aircraft finance leasing activities is applicable to all for undertaking permissible core activities prescribed under the IFSCA Finance Company regulations

*Minimum owned fund shall mean the paid-up-capital and free reserves balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of an asset, as reduced by accumulated loss balance, the book value of intangible assets and deferred revenue expenditure, if any;

Key Regulatory Requirements

As per the Central government notifications issued from time-to-time, operating lease, including any hybrid of operating and financial lease of providing aircraft or helicopter and engines of aircraft or helicopter or any other part thereof AND lease of ground support / ramp handling equipment can be considered as 'financial product' under the IFSCA regulatory framework.



The lessor is required to be a Finance Company (FC) / Finance Unit (FU) registered with IFSCA.

01



Lessor can be set-up as Company or LLP or a Trust or in any other form as may be specified by the IFSCA from time to time.

02



An entity in GIFT IFSC, intending to undertake aircraft lease only through its wholly owned subsidiary (ies) set-up in IFSC is required to comply with all the norms and requirements under the Aircraft leasing framework.

03



An applicant cannot undertake permissible activities as a Lessor unless it has obtained a certificate of registration.

04



The Lessor shall comply with the Cape Town Convention and Protocol and all other applicable statutory obligations, regulatory requirements, standards, policies, directions, and guidelines in this regard.

05



Transactions are to be undertaken in freely convertible foreign exchange only. The lessor is also required to furnish information to IFSCA through the annual compliance requirements prescribed.

06

Taxation Framework



Key Direct tax parameters

| | |
|---|---|
| Corporate Tax Rate | 100% profit-linked deduction for any 10 consecutive years out of the first 15 years of operations |
| Minimum alternate tax (MAT) | MAT @ 9% (plus applicable surcharge and cess) of book profits applies to a Company set as a unit in GIFT IFSC subject to certain exceptions |
| Withholding tax (WHT) on interest payment | No WHT on interest paid to non-residents by units in GIFT IFSC i.e., interest income exempt from tax |
| WHT on lease rentals | No WHT on aircraft lease payments, in the nature of royalty, paid to non-residents by units in GIFT IFSC i.e., operating lease rentals exempt from tax No WHT on payment of lease / supplemental lease rentals by a resident to a GIFT IFSC entity engaged in leasing of aircraft (for the years for which the tax holiday has been claimed) |
| Capital gains on disposal of aircraft | Tax Exemption on capital gains arising on transfer of aircraft or aircraft engine leased by GIFT IFSC unit to a domestic company |
| Capital gains from sale of equity shares of a unit in GIFT IFSC | Exemption to: (i) a non-resident in India or (ii) a unit in GIFT IFSC which is engaged in the business of leasing of aircraft from income earned as capital gains from sale of equity shares of a unit in GIFT IFSC (being a domestic company and engaged primarily in the business of leasing of aircraft which has commenced operations on or before 31 March 2026) subject to certain conditions |
| Dividend income | Exemption to a unit in GIFT IFSC which is engaged in the business of leasing of aircraft, from income earned as dividends from a company located in GIFT IFSC, which is engaged primarily in the business of leasing of aircraft. Consequently, exemption from WHT is also provided on such dividend payments |

Taxation Framework



Key Indirect tax parameters

Import of goods/ services into the GIFT IFSC:
Procurement on an outright purchase basis
Procurement on an operating lease basis

Import of aircraft/ aircraft engines, ground equipments and aircraft equipments into GIFT IFSC are to land at designated airport/ SEZ (IGST notified that such import is for authorised operations in SEZ). However, aircraft/ aircraft engines are required for such an exemption to apply.

Leasing (operating lease) of aircraft/ aircraft engine to an Indian airline company by a unit in the GIFT IFSC

Import of aircraft/ aircraft engines into the GIFT IFSC is not subject to basic customs duty (BCD). However, aircraft/aircraft engines are required to be landing in SEZ for such an exemption to apply

Stamp duty

Exemption on all activities related to setting up of units in GIFT IFSC and acquisition of any movable property (including aircraft) or immovable property for a period of 10 years commencing from 4 August 2020. May not be available for sale of an aircraft



Key Numbers

India's aircraft leasing industry is currently in its budding phase and the GIFT City ecosystem is striving towards fulfilling the vision of the Hon'ble Prime Minister, who stated that,

"INDIA NEEDS MANY FINANCIAL INNOVATIONS FROM AIRCRAFT LEASING, SHIP FINANCING, CARBON TRADING, DIGITAL CURRENCY, AND IP RIGHTS TO INVESTMENT MANAGEMENT."

Accordingly, GIFT City is home to 24 Aircraft Lessors, with a total of 27 Aircraft and 60 Engines having been leased from the GIFT IFSC. (As of January 2024)



Note: Please refer to page 110 for the fee structure

Section: 3.8

Ship Leasing

Ship Leasing in GIFT IFSC

Overview

As of October 2023, India stands 16th in the global list of the largest maritime countries, boasting a coastline spread across 7,517 kilometers and featuring 205 minor ports. Despite an enabling landscape, Indian companies continue to associate with foreign entities for freight agreements, in an attempt to ship their cargo. Globally, ship leasing is considered a popular trading tool and is leveraged across the manifold segments of the shipping industry including containers, dry bulk, tankers, etc. As of April 2023, the global charter hire market was estimated at \$ 100 billion. With the IFSCA now permitting ship leasing within GIFT City, allied companies are eyeing potential benefits ranging from the low tax structure and enabling regulations to robust business opportunities.

There are a host of potential benefits for ship leasing companies looking to establish a base in GIFT City. Some of these include the presence of a unified regulatory regime, globally-offered standard tax benefits and liberal policies enabling the flow of finance, the opportunity to invest in financial products and services across borders and the availability of a deemed foreign jurisdiction from the exchange control perspective.

Permissible Activities

Permissible activities under IFSCA, which has notified ship leasing as a financial product, include the following:

- 1 Financial lease, hybrid of financial and operating lease or operating lease, including sale and leaseback, purchase, novation, transfer, assignment and other similar transactions in relation to ship lease
- 2 Voyage charters, contracts of affreightment, employment in shipping pools, and all other legal commercial transactions for employment of ships
- 3 Asset management support services for assets owned or leased out by the group entities
- 4 Any other related activity with the prior approval of the IFSCA

Ship broking related to ship-leasing activities and third-party asset management services can be performed by registering separately under the IFSCA's Ancillary Services Framework.

Key Regulatory Requirements



Ship leasing companies must obtain a certificate of registration from the IFSCA to act as a lessor



The entity can be set up as a company, or as a branch, LLP or trust



A capital of \$ 3 Mn is required for finance lease



A capital of \$ 0.2Mn is mandated for operating lease



Dealings are permitted only in specified foreign currency



Administrative expenses can be defrayed in ₹ by maintaining a Special Non-Resident Rupee (SNRR) account



Taxation Aspects

Direct tax framework

100% profit linked deduction for any 10 consecutive years out of first 15 years of operations, at the option of the Company

Unabsorbed depreciation can be carried forward to the subsequent years to be set off against future profits, without any time limit

Post tax holiday is applicable for domestic companies that opted to forego certain deductions (with an exception of deductions available to GIFT IFSC)

Tonnage Tax Regime after tax holiday for the ship owners in GIFT IFSC

MAT @ 9% (plus applicable surcharge and cess) of book profits applies to a Company setup as a unit in GIFT IFSC (Not applicable to companies in GIFT IFSC opting for new tax regime)

No WHT on interest paid to non-residents by units in GIFT IFSC i.e., interest income exempt from tax

WHT at applicable tax rates plus applicable surcharge and cess on interest paid to residents

No WHT on lease payments, in the nature of royalty, paid to non-residents by units in GIFT IFSC i.e., operating lease rentals exempt from tax

WHT @ 2% on payments exceeding ₹ 240,000 on lease payments paid to residents

100% profit linked deduction available on capital gains arising on transfer of ship/ocean vessel leased by a GIFT IFSC unit to domestic company

Indirect tax framework

Import of ship/ocean vessel into GIFT IFSC is not subject to basic custom duty (BCD). However, ship/ocean vessel required to be physically brought in SEZ for such exemption to apply.

Leasing of ship/ocean vessel into GIFT IFSC is not subject to Integrated Goods and Services Tax (IGST), provided services are procured for authorized operations in an SEZ

Import of ship/ocean vessel by an Indian shipping company (operator) from an Indian lessor located in GIFT IFSC is not subject to BCD, provided the ship/ocean vessel is not imported for breaking up

Leasing of ship/ocean vessel by a unit in GIFT IFSC to an Indian shipping company is subject to IGST under forward charge at the rate of 5% on lease rental payments

Section: 3.9

Global In-House Centres

Global In-House Centres in GIFT IFSC

Overview

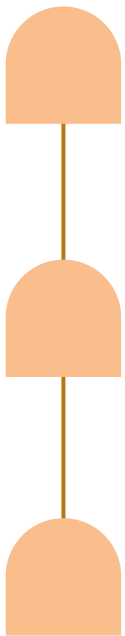
Global in-house centres are offshore bases set up by large organisations, with a focus on seamlessly performing designated functions. Previously known as 'captive centres', GICs have now emerged as game changers as they transcend their delivery mandates owing to robust growth in global sourcing. Most large-scale organisations require technology and data to enable optimal strategy and operations and turn towards GICs as a means to access quality talent from lower-cost geographies. Indian GICs have slowly transformed into innovation and employment powerhouses capable of spearheading high-value activities like intellectual property (IP) creation and building competencies around emerging technologies.



Eligibility Criteria and Regulatory Requirement

Further, the Government of India has, on the recommendation of the IFSCA, notified GICs as a financial service entity offering services related to financial products and financial services. Accordingly, the IFSCA notified the IFSCA (GIC) Regulations, 2020 ('GIC Regulations') to provide for a framework to recognise and operationalise GICs in the IFSC, leading to robust interest from global enterprises keen on setting up their GICs within India.

Eligibility criteria



GICs are permitted to exclusively cater to its financial services group wherein the entities served must be located in FATF compliant jurisdiction. A 'financial services group' is defined as any entity which is regulated by a financial services regulator includes its holding, subsidiary or associate companies, branch, or subsidiary of a holding company to which it is also a subsidiary.

GICs are permitted to cater exclusively to non-resident entities, with the support services being provided mandated to be for the purpose of carrying out a financial service in respect of a financial product.

In terms of currency permissions, GICs are permitted to exclusively deal in freely convertible foreign currency. These centres are permitted to maintain an ₹ account for the purpose of defraying administrative expenses in the domestic currency. Upto 20% of the employees are being relocated to GIFT GIC.

Mode of conducting business



GIC to conduct its business in any mode permitted by the IFSCA, including branch mode

Approval required



IFSC Authority under GIC Regulations
Development Commissioner SEZ under SEZ Act, 2005

Benefits Under Gujarat IT/ITeS policies

01

Capital subsidy – 25% of Eligible CAPEX (one-time)

Upto ₹ 200 Cr with GFCI > ₹ 250 Cr (Mega Project)

Upto ₹ 50 Cr with GFCI < ₹ 250 Cr

02

15% of OpEx (available for 5 years)

Upto ₹ 40 Cr with GFCI > ₹ 250 Cr

Upto ₹ 20 Cr with GFCI < ₹ 250 Cr

03

Employment Generation Incentive - 50% of one month's employment cost to company (one-time)

04

Atmanirbhar Rojgar Sahay (ARS) - Reimbursement of employer contribution to PF upto 12% (5 years)

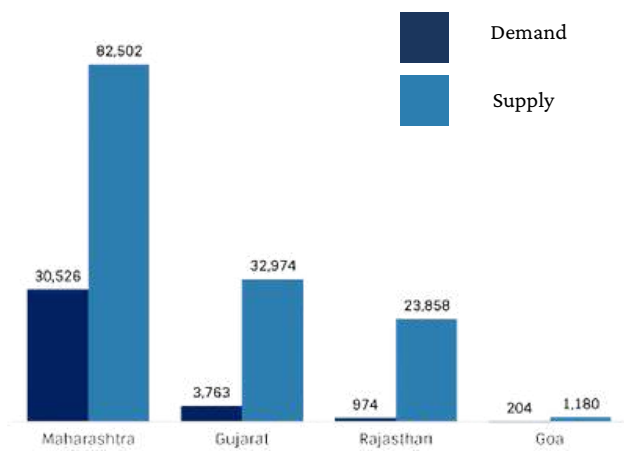
05

ARS and Electricity Duty exemption and interest subsidy

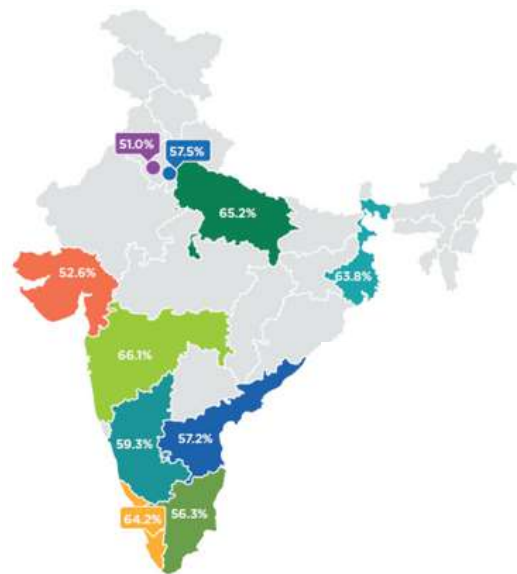
Presence Of Talent In Gujarat

Gujarat has emerged as the new centre for IT-BPM industry in the western region, for both supply of and demand for talent. At present, there are 5,000-odd IT firms in Gujarat, with an annual turnover of nearly ₹ 6,000 Cr, providing employment to nearly 2.5 lakh people across the state. The state has also seen an increase in the number of Research and Development institutes, accounting for 700+ institutes and making Gujarat rank 4th in the top 10 list of R&D institutes in India.

Demand and Supply of talent in India



State-wise Employability in India (IT, ITeS)



Gujarat is one of the top states with supply exceeding the demand of talent in the IT-BPM sector. Indicating a huge opportunity for GICs to leverage the intellectual capital



Gujarat is among the top 10 states with highest employability in IT-ITeS sector in India.



Gujarat has emerged as the new centre for IT-BPM industry in the western region, for both supply of and demand for talent.



Gujarat's employability rate is amongst the top 10 states in India.



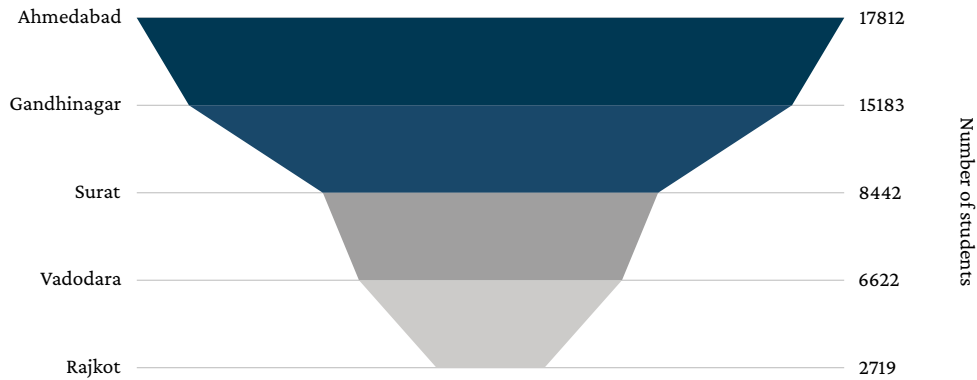
Gujarat IT-ITeS industry claims about ₹ 1,000 Cr market and is expected to grow up to a ₹ 1,500 Cr market.



Ahmedabad, Gandhinagar and Vadodara are hubs for IT and ITeS.

Fresh Pool Of Talent

Number of students enrolled across universities in top 5 cities of Gujarat every year



List of top colleges in Gujarat and their placement records:

| Specialisation | Top Institutes | City | Highest Placement | Average Placement |
|-------------------------------------|----------------|----------------|-------------------|-------------------|
| Master's of Business Administration | 1. IIM | 1. Ahmedabad | 1. ₹ 1,14,00,000 | 1. ₹ 36,20,000 |
| | 2. MICA | 2. Ahmedabad | 2. ₹ 36,00,000 | 2. ₹ 20,00,000 |
| | 3. NIRMA | 3. Ahmedabad | 3. ₹ 30,00,000 | 3. ₹ 12,35,000 |
| | 4. IRMA | 4. Anand | 4. ₹ 26,50,000 | 4. ₹ 15,50,000 |
| | 5. ITM | 5. Vadodara | 5. ₹ 12,00,000 | 5. ₹ 7,50,000 |
| Computer Science/Information Tech. | 1. IIT | 1. Gandhinagar | 1. ₹ 62,00,000 | 1. ₹ 15,35,000 |
| | 2. SV-NIT | 2. Surat | 2. ₹ 40,51,000 | 2. ₹ 14,18,000 |
| | 3. DAIICT | 3. Gandhinagar | 3. ₹ 54,22,000 | 3. ₹ 16,06,000 |
| | 4. IIIT | 4. Vadodara | 4. ₹ 44,00,000 | 4. ₹ 16,25,000 |
| | 5. NIRMA | 5. Ahmedabad | 5. ₹ 50,16,000 | 5. ₹ 9,59,000 |
| Other Top colleges | 1. Design | 1. Gandhinagar | 1. ₹ 15,00,000 | 1. ₹ 5,00,000 |
| | 2. Law | 2. Gandhinagar | 2. ₹ 14,00,000 | 2. ₹ 7,00,000 |
| | 3. Sciences | 3. Ahmedabad | 3. ₹ 9,76,000 | 3. ₹ 13,58,000 |

1200+ students graduate from top B-schools in Gujarat every year

2900+ engineering students graduate from top Gujarat Universities every year

92K+ available seats in engineering and master's programs across various disciplines

GIFT IFSC: Ideal Destination For Global In-House Centres

Global enterprises consider GIFT City a favorable destination for Global Investment Corporations (GICs) due to its **unified regulator, compliance standards, and state-of-the-art infrastructure**. The SEZ's strategic location between Gandhinagar and Ahmedabad, Gujarat's capital and financial epicentres, offers quality talent and robust capacity for expansion and scaling plans.



GICs' success relies on the socio-cultural environment, talent availability, and technology-based ecosystem. GIFT City offers a prideful socio-cultural environment, cultural openness, and supportive government policies for expatriates, promoting work-life balance and quality of life. India's multicultural space and supportive policies further enhance the benefits for GICs seeking to establish a presence in India.

GIFT City provides a **conductive talent ecosystem** for GICs in Gujarat, offering top-notch educational infrastructure and skilled talent. Gujarat's booming talent pool, including top universities and research centres, allows GICs to collaborate with educational institutions for talent development and research partnerships. The state's employability rate ranks among the top 10 in India, with Gujarat being a top percentile in GIC-friendly attributes. GIFT City's presence in Ahmedabad, Gandhinagar, and Vadodara will enable GICs to leverage the benefits of these cities.

GIFT City also unlocks a superlative regulatory environment for GICs, with the SEZ being designed to be at par with global financial and technology hotspots. Accordingly, GIFT IFSC operates under a special regulatory framework, providing a business-friendly environment for GICs by way of simplified procedures and a single-window clearance system aimed at streamlining establishment and operations, in addition to maintaining singular focus on e-governance.

GIFT City also boasts optimal connectivity across domestic and global routes, an aspect that becomes imperative for GICs given the frequent travel of human capital across borders. The SEZ is well-connected through air, road, and rail networks, making it easily accessible for domestic and international travel, with direct flights to major cities in India and international destinations. Central locations in both North and South India are accessible in just **1.5 hours by direct flights**, with GIFT City ensuring optimal access to **47 destinations in 9 countries**, via direct flight and one-hop connection to a majority of global destinations. The hotbed of innovation also **enhances connectivity through the metro, high-speed rail, and the booming Mumbai – Delhi Industrial Corridor**.

Note: Please refer to page 112 for the fee structure

Section: 3.10

Fintech

Fintech In GIFT IFSC

Overview

The framework for FinTech and or TechFin entities at GIFT City has been enabled through a circular dated April 27, 2022, with the express intent of boosting the establishment of a globally leading FinTech Hub comparable with other International Financial Centres.

Eligibility Criteria

Under the **Fintech** segment, the applicant needs to clear the following eligibility criteria

- > Foreign applicant: Entities belonging to FATF compliant jurisdictions are permitted to commence operations within GIFT City
- > Indian applicant: An entity registered with DPIIT as start-up related to FinTech; or a company or LLP incorporated in India; or a branch of Company/ LLP in GIFT IFSC; or an entity working directly or indirectly in the ecosystem regulated by RBI / SEBI/ IRDAI/ PFRDA is permitted to set up base in GIFT City

Permissible activities

Under the **Fintech vertical**, the IFSCA has permitted the following activities

- > FinTech solutions that results in new business model, applications, process, or products in financial services
- > TechFin services/solutions in the form of advanced or emerging technology solutions in allied areas/ activities which aids and assists activities in relation to financial products/services/institutions – [Refer section 'Opportunities in Fintech']



Regulatory Requirements

Mandatory requirements

- Use technology in the core product or service, business model, distribution model or methodology; or
- Have presence of deployable solution/working product; and
- Have revenue earning track record in at least 1 of the last 3 financial years

Regulatory requirements

01

Direct Authorisation of FinTechs and TechFins

02

Fintech Sandbox

The Sandbox alternative can further be classified into various **testing formats**, with the move aimed at encouraging FinTech players to experiment and develop their innovative ideas without concerns about regulatory compliance.

Regulatory sandbox

Innovation sandbox

Inter-operable
regulatory sandboxOverseas regulatory
referral mechanism

01 Regulatory sandbox

The regulatory sandbox allows an Eligible Applicant to apply to the IFSCA for permission to test their ideas or solutions using innovative technology in core products or services, business models, or methodologies related to financial services that are regulated by the IFSCA or are likely to be regulated.

By participating in the regulatory sandbox, the Eligible Applicant can operate without the constraints of the regulatory environment. However, they must demonstrate that such relaxation from the regulatory environment is necessary for the development of their idea or solution.

Upon successful completion of the regulatory sandbox program, the entity can choose to operate as a FinTech entity in the GIFT IFSC and will be authorised by the IFSCA to operate under the appropriate regulatory regime. To proceed, the applicant must establish either an entity or a branch in GIFT IFSC.

The regulatory sandbox is available to entities operating in:



Capital markets



Banking



Insurance

Regulatory highlights

02 FinTech Innovative Sandbox (FIS)

Separately, a company or organisation that meets the eligibility criteria can apply to the IFSCA for permission to test and develop their ideas and solutions in a controlled environment called the FinTech Innovative Sandbox (FIS)

Such applicants do not enjoy any relaxation from the regulatory requirements and, following the successful completion of the FIS program, they have the option of applying to the IFSCA for authorisation to operate within the regulatory sandbox.

03 Inter Operable Regulatory Sandbox (IORS)

In addition, the FinTech Framework also includes the provision for an Inter Operable Regulatory Sandbox (IORS), which permits the testing of innovative hybrid financial products or services that fall under the regulatory jurisdiction of multiple financial sector regulators. The main objective here is to facilitate collaboration between innovators and different regulators, providing a streamlined process for testing hybrid products.

This route is exclusively available to foreign FinTech entities seeking entry into the Indian market and, upon successful completion of the IORS programme, they must approach both the IFSCA and the relevant regulators for authorisation, before launching their products.

70 applications already received in its very first year, under the FinTech Entity Framework 2022

Further, the sector is witnessing robust support from the recently launched FinTech Incentive Scheme, which is a first-of-its-kind FinTech cooperation agreement with the Monetary Authority of Singapore (MAS). In this scenario, GIFT City's FinTech segment has appealed to various countries resulting in the receipt of applications from FinTechs based across 12 countries, including the **USA, UK, Australia, Singapore, France, and India.**

Grant amount ranges up to ₹ 75 Lakh

Available to FinTech entities that are part of the Regulatory or Innovative Sandbox, entities referred to the IFSCA through a FinTech bridge arrangement with another regulator, as well as entities that have participated in or are currently engaged in accelerated programs, cohorts, or other special programs supported or acknowledged by the IFSCA.

Innovations at GIFT City focused on enabling the FinTech sector, including new-age technological advances such as Blockchain, Artificial Intelligence, AgriTech, Quantum, Tokenisation, and SpaceTech, as the landscape expands in scale and capability to house the foremost FinTechs of the new era.

Opportunities in Fintech



Banking Sector

- Remittance and payments
- Digital lending
- Buy Now Pay Later
- Crowd lending
- Digital bank (Neo Banking / Challenger Bank)
- Open Banking



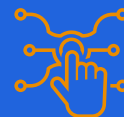
Capital Markets and Fund Management

- Crowdfunding
- Personal Finance
- Wealth Tech
- Robo Advisory
- Sustainable Finance Products
- Alternate trading platforms



Insurance sector

- InsurTech
- Innovative technologies for insurance life cycle (underwriting, claims management for life / health products)
- Digital innovation for global health cover
- Innovation in commercial insurance
- Digital platform for settlement of balances between insurance companies
- Open insurance
- Embedded insurance
- Cyber insurance



Allied Activities

- AgriTech
- Accelerators
- Climate/ Green/ Sustainable Tech
- Defense Tech
- Regulatory Tech
- SpaceTech
- Supervisory Tech
- Technology solution providing digital banking
- Technology solution aiding Trade Finance
- Solutions / services for BFSI domain covering certain aspects like metaverse, AI/ML, cyber security, KYC/AML, Quantum Tech, Web 3.0

Note: Please refer to page 113 for the fee structure

Section: 3.11

Foreign universities

Foreign Universities In GIFT IFSC

Overview

India is now poised to host the offshore branches of multiple foreign universities within its boundaries, with the Union Budget for the Financial Year 2023 permitting major educational centres to set up world-class foreign universities in GIFT City. According to the speech delivered by Finance Minister Smt. Nirmala Sitharaman, ***“World-class foreign universities and institutions will be allowed in GIFT City free from domestic regulations, except those by the IFSCA.”***

Accordingly, the IFSCA unveiled its International Branch Campus Regulations in October 2022, permitting Indian campuses of foreign universities to repatriate funds in a relaxed regulatory environment. With this approach, all such transactions undertaken by the universities will occur in freely convertible foreign currency, and the infrastructure conditions which are applicable to other India-based universities will not be enforced within GIFT City.

Permissible universities

- Foreign universities that are ranked within the Top 500 in the global overall ranking and / or subject ranking in the latest QS World Universities ranking
- A reputed foreign educational institution in its home jurisdiction.

Permissible subject areas

Courses including research programmes in Financial Management, FinTech, Science, Technology, Engineering and Mathematics shall be permitted in GIFT IFSC.

Recent developments

- At present, GIFT IFSC has granted in-principle approval to Australia-based **Deakin University** and **Wollongong University** to initiate classes in 2024.
- The academic standards at both these institutions will remain aligned with the Australian accreditation body — the Tertiary Education Quality and Standards Agency.
- Additionally, a top-tier university from the United Kingdom is also expected to operationalise its campus within GIFT City in the next year.
- GIFT City has also received interest from leading universities in the United States, owing to its attractive and conducive facilities and regulatory environment.



Key Regulatory Requirements



| | |
|----------|--|
| 1 | Foreign universities at GIFT IFSC are required to offer courses or programs identical to those offered by the parent entity in its home jurisdiction, with the same degree and diploma or certificate being conferred, thus enjoying “the same recognition and status as if they were conducted by the parent entity in its home jurisdiction” |
| 2 | The regulator IFSCA will hold the express right to inspect foreign campuses set up in GIFT IFSC to ensure optimal outcomes |
| 3 | In the scenario wherein an institution desires to withdraw or discontinue a programme, the institution would be mandated to offer a suitable alternative to the affected students, and this may or may not include reallocation |
| 4 | Foreign universities are granted GIFT IFSC registration for a period of five years, with the same being renewable for an additional period of five years |
| 5 | The IFSCA has defined Foreign Educational Institution as “an education institution outside India, which is not a university and is duly authorised to offer courses including research programmes within and outside its home jurisdiction” |
| 6 | All transactions undertaken by the institutions will occur in freely convertible foreign currency only, with certain transactions being permitted in ₹ through the Special Non-Resident Rupee Account |

Note: Please refer to page 114 for the fee structure

Section: 3.12

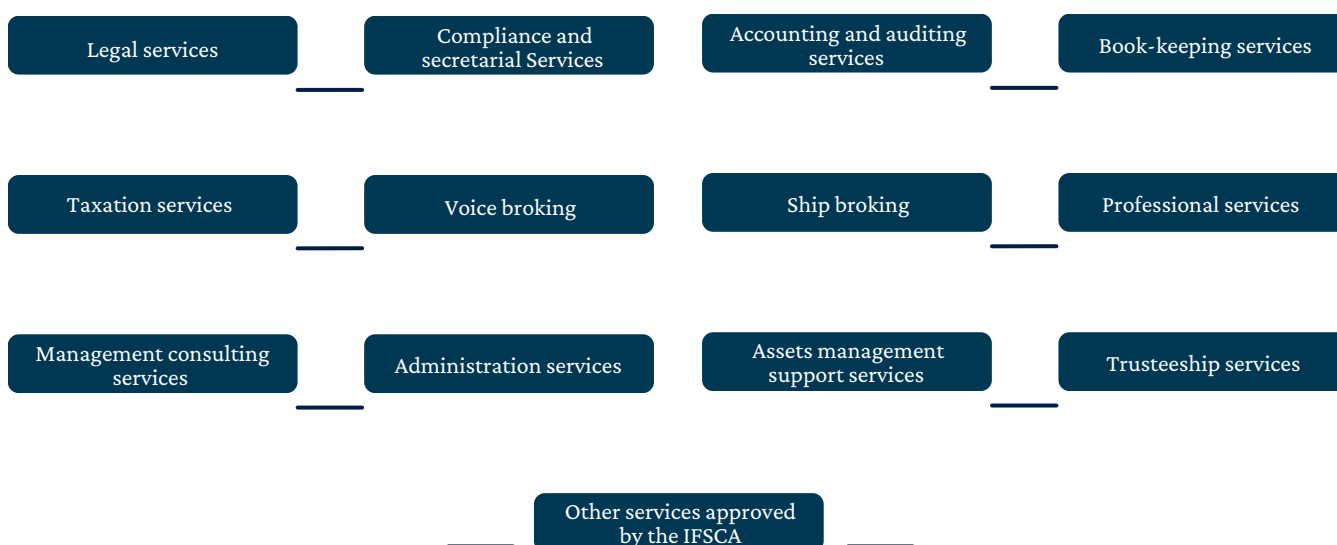
Ancillary services

Ancillary Service Providers In GIFT IFSC

Overview

With the intention of offering globally standard ancillary facilities to the domestic and offshore entities setting up their base in GIFT City, the IFSCA has created a blooming ecosystem for ancillary service providers across a wide array of sectors, including foreign law firms, ship broking, bookkeeping services, etc. These sectors are witnessing a strong uptick owing to the attractive norms and regulations being unlocked by the IFSCA.

Permissible Ancillary Services



Key regulatory requirements

- > The ancillary service entity must be set up in GIFT IFSC in the form of a company, a limited liability partnership, a registered partnership firm, or its branch thereof acting as an ancillary service provider in GIFT IFSC
- > The ancillary service provider can provide services for entities set up in GIFT IFSC, entities from foreign jurisdictions for various permissible services in IFSC or overseas and Indian entities who propose to open, set up or carry out operations in IFSCs or foreign jurisdictions, provided consideration is received in freely convertible foreign currency
- > Ancillary service providers must transact in freely convertible foreign currency only
- > Ancillary service providers may defray their administrative expenses in ₹ by maintaining an ₹ account



Key numbers

At present, the ancillary services wing of GIFT City is housing a bevy of audit and accounting firms, law firms, consulting firms, fund administration firms, and firms offering custodial services, trusteeship services, etc. Currently, over **50 ancillary firms** have been authorised in GIFT IFSC, thus boosting the vibrancy of the IFSC ecosystem, in addition to aiding and assisting financial firms in the delivery of solutions at par with global standards.

Note: Please refer to page 115 for the fee structure

Section: 3.13

International Bullion Trading

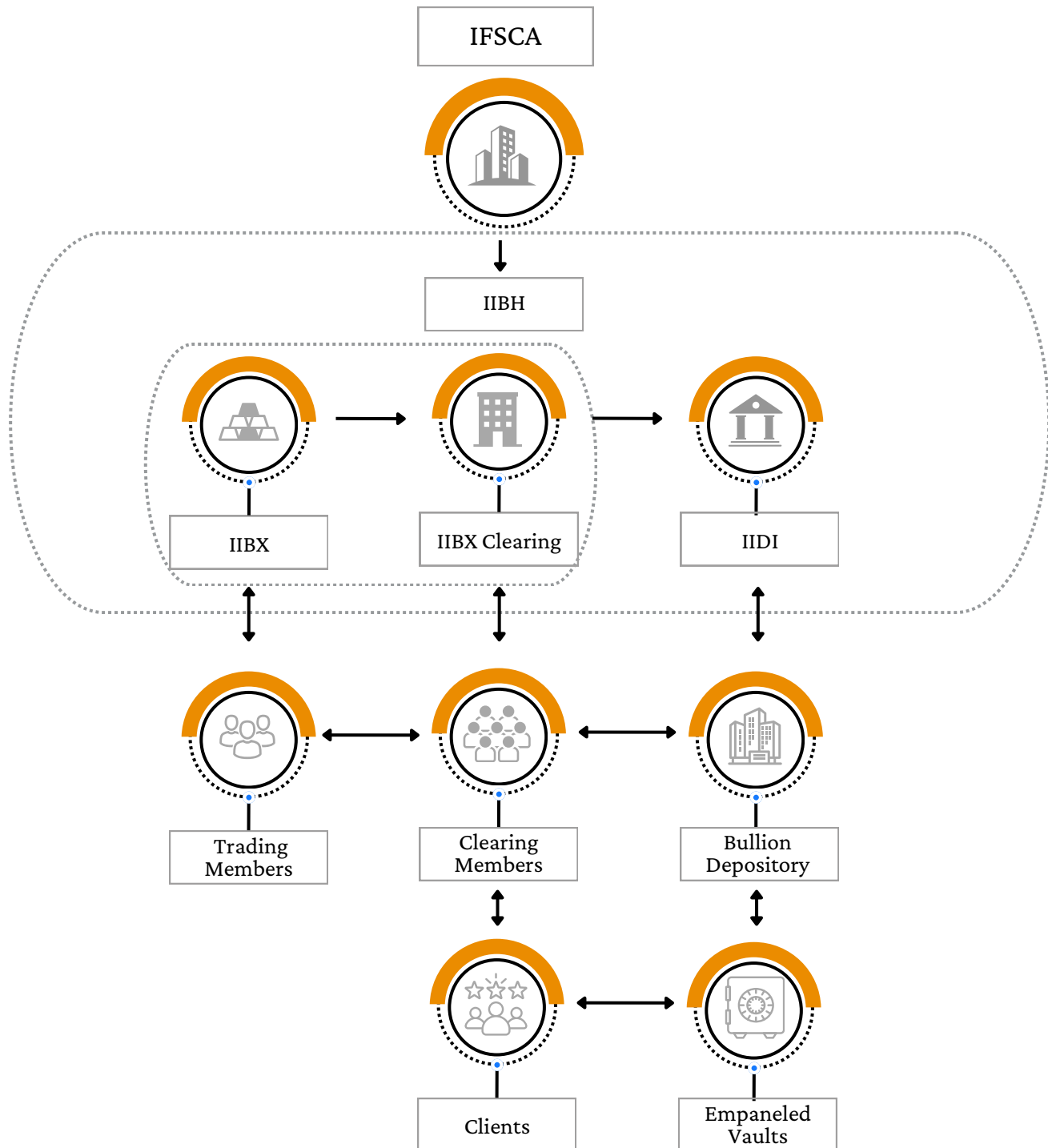
International Bullion Exchange(s)

Overview

- On 31 August 2020, the GoI, notified the bullion spot delivery contract and bullion depository receipt (with bullion as underlying) as Financial Products and related services as Financial Services under the IFSCA Act, 2019.
- Subsequently, the IFSCA on 11 December 2020 notified IFSCA (Bullion Exchange) Regulations, 2020 to provide a framework for recognition of bullion exchanges, its clearing corporations, depositories and vaults.
- The Bullion Exchange regulations envisage to provide an integrated platform for all the market intermediaries including trading members, clearing members, bullion depositories, vault managers, etc. so as to facilitate transparency and traceability in the bullion market and standardization of bullion contracts.
- Operating Guidelines on bullion exchange, bullion clearing corporation, bullion depository and vault manager were issued by the IFSCA.

| Particulars | Key guidelines |
|------------------------------|---|
| Bullion Exchange | <ul style="list-style-type: none"> • Entities eligible to become members of the IIBX - IBUs. • Subsidiaries / branches of entities dealing with financial products set up in IFSC, Banks authorised by RBI and Nominated Agencies authorised by Directorate General of Foreign Trade (DGFT) to deal in bullion. • Eligibility criteria for a member setting up operation in IFSC - Either through subsidiary or branch or any other mode as permitted by the IFSCA; shall be from FATF compliant jurisdiction. • Trading members shall have at least 1 employee having experience of minimum 3 years and sound knowledge in precious metals industry. |
| Bullion Clearing Corporation | <ul style="list-style-type: none"> • A licensed bank or a registered broker with the IFSCA permitted to act as clearing member subject to meeting the eligibility criteria of the Bullion Clearing Corporation. • The Clearing member should have a physical presence at GIFT IFSC. • Clearing member may be a Trading-and-clearing member, Professional clearing member, Self-clearing member. • Minimum net worth of \$ 10 Mn. |
| Vault manager | <ul style="list-style-type: none"> • Minimum net worth of \$ 7 Mn which shall be maintained at all times. • Furnish a refundable security deposit of \$ 75,000 with the Bullion Depository prior to making application to the IFSCA. • Before accepting physical bullion from a depositor, ensure that it meets the technical specifications specified by the bullion exchange. |

International Bullion Exchange(s) ecosystem



IFSCA – International Financial Services centres Authority

IIBH – India International Bullion Holding IFSC Limited

IIBX - India International Bullion Exchange IFSC Limited

IIDI – India International Depository IFSC Limited

Note: IIBX Clearing is under the exchange for an initial period of years

Role And Objective Of International Bullion Exchange (IIBX)

The IIBX ecosystem will be a **channel for bullion trading** at the international level and will put India on the global map with the following benefits:

World class vaulting facilities in the IFSC area

Settlement in US dollar

One-to-one congruence of Bullion Depository Receipts with their respective Bullion Bars

Supply chain integrity and international suppliers on single platform

Nodal point for global bullion trade

A well-connected distribution network – Logistics, Transportation and Warehousing

Transparent electronic trading platform

Disintermediation: Qualified Jewellers can import gold directly through IIBX

Democratic pricing: Same price available to all QJs at the time of placing the bid

Price advantage to QJs due to economies of scale and immediate value realisation

Objective



To become Asia's largest bullion trading hub

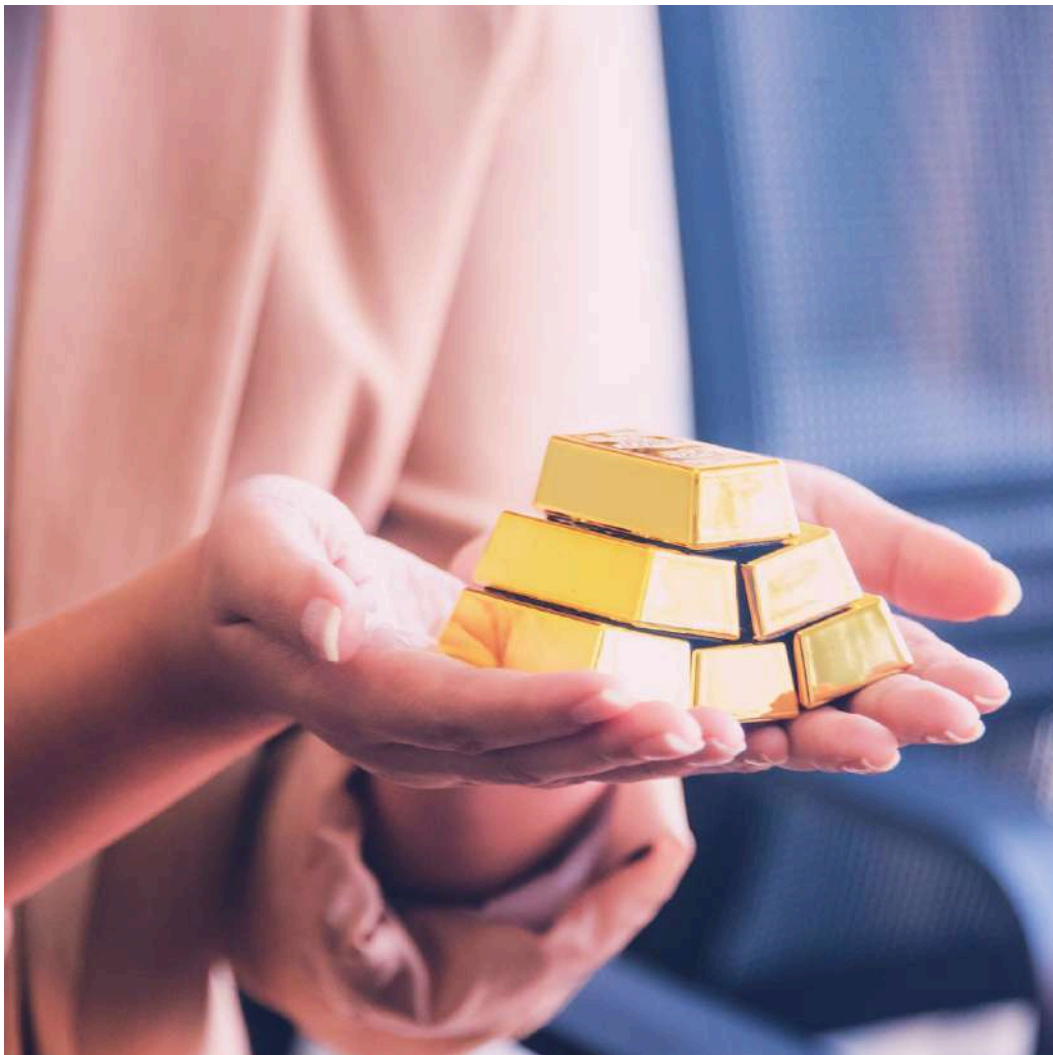
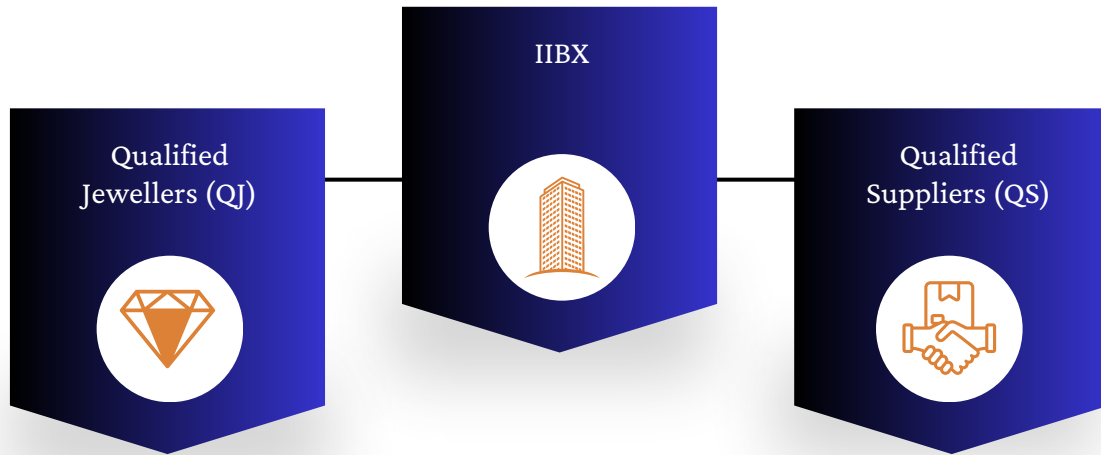


To focus across the bullion ecosystem



To become a state-of-the-art digital platform for global trade, robust data and risk management

IIBX Buyers and Sellers



Section: 4

Steps to set up office in GIFT IFSC



Steps To Set Up In GIFT City

**STEP
1:**

Office space identification in GIFT CITY

**STEP
2:**

Incorporation of legal entity (not applicable in case unit set up as a branch)

**STEP
3:**

Developer to issue Provisional Letter of Allotment (PLoA)

**STEP
4:**

Application in Form-F to SEZ authorities

**STEP
5:**

Application to IFSC Authority

**STEP
6:**

SEZ Authority to issue Final Letter of Approval (LoA)

**STEP
7:**

Finalization of space with the developer and entering into an agreement

**STEP
8:**

Obtaining approval from financial services regulator and commencement of business

Section: 5

Prominent institutions in GIFT City



Presence Of Prominent Institutions In GIFT City

| Banking | Insurers and Intermediaries | Developers |
|--|---|--|
| <ul style="list-style-type: none"> Standard Chartered Bank HSBC Barclays Citi Bank Deutsche Bank DBS Bank J P Morgan State Bank of India Bank of Baroda Axis Bank HDFC Bank | <ul style="list-style-type: none"> General Insurance Corporation of India (GIC Re) The New India Assurance Company Ltd. ICICI Lombard HDFC International Life and Re ECGC Xperitus Marsh Pioneer Insurance and Reinsurance Brokers Pvt Ltd J B Boda Alliance Insurance Brokers RC Insurance Trinity Group | <ul style="list-style-type: none"> Nucleus Office Parks ATS Savvy Sobha Brigade Hiranandani World Trade Centre Bakeri Venus Shivalik Shilp Rajyash Ozone Nila Spaces Sangath Nakshatra Kaavyaratna Waystar Realty |

| IT and ITes | IFSC Exchanges | Ancillary Services |
|---|---|---|
| <ul style="list-style-type: none"> Google IBM Capgemini Oracle TCS Cybage Infibeam Maxim Analog | <ul style="list-style-type: none"> IndiaINX - India International Exchange NSE IX (with GIFT Nifty) India International Bullion Exchange | <ul style="list-style-type: none"> Ernst and Young LLP Grant Thornton Bharat LLP Cyril Amarchand Mangaldas - OFC Nishith Desai Associates KPMG Assurance and Consulting Services LLP Price Waterhouse and Co. LLP IDBI Trusteeship Services Limited Axis Trustee Services Limited Deloitte |

Presence Of Prominent Institutions In GIFT City

| Alternative Investment Funds | Ship Leasing |
|--|--|
| <ul style="list-style-type: none"> • 3one4 Capital FME IFSC LLP • Aditya Birla Sun Life AMC Limited • Alchemy Investment Management LLP • ASK Investment Managers Limited • Blacksoil Asset Management Private Limited • Edelweiss Alternative Asset Advisors Limited • Equirus Wealth Private Limited • HDFC Capital Advisors Limited • Kotak Investment Advisors Limited • Morgan Stanley Fund Advisor IFSC Private Limited • Multiples Asset Management IFSC Pvt. Ltd. • Nippon Life India Asset Management Limited • SBI Funds Management Private Limited | <ul style="list-style-type: none"> • Jal Kumud Shipping IFSC Pvt Ltd. • Panbulk Shipping India IFSC Pvt. Ltd. • Ripley Shipping India IFSC Private Limited • RSCPL (IFSC) Pvt Ltd. |

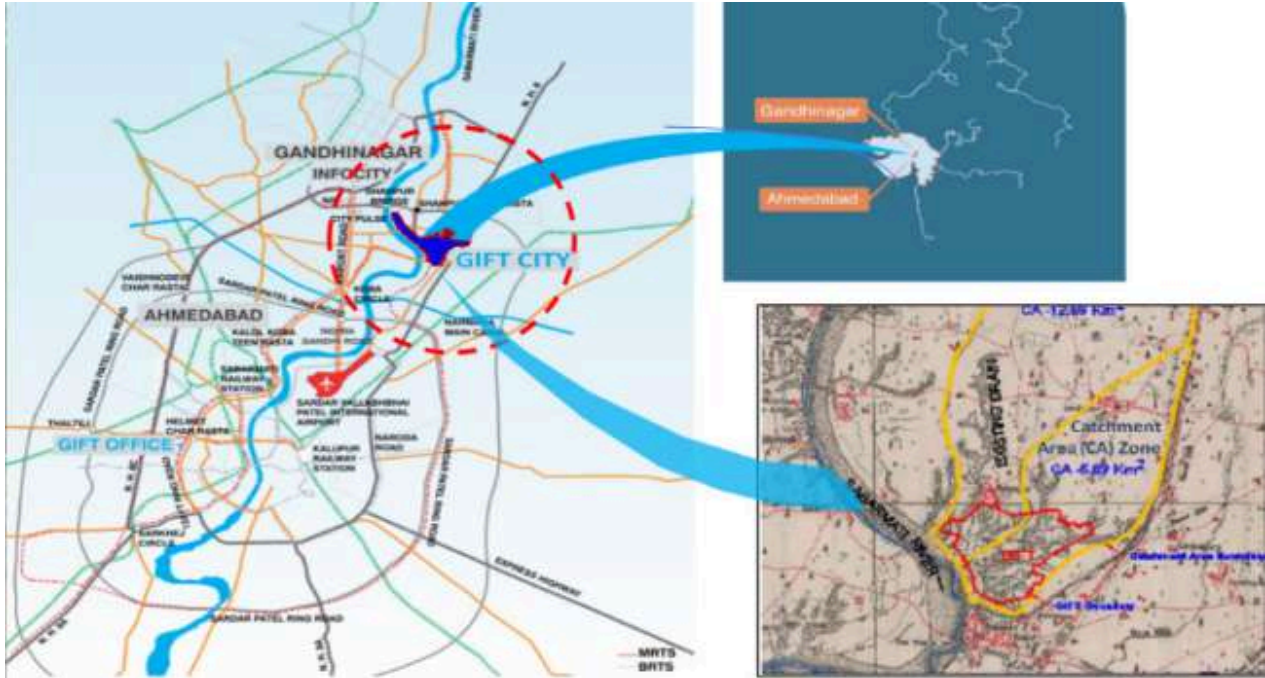
| Institutions | Ecosystem Development | Aircraft Leasing |
|---|---|---|
| <ul style="list-style-type: none"> • Junomoneta • Befree • | <ul style="list-style-type: none"> • Jamnabai Narsee School • Lilavati Hospital • GIFT CITY Cllub • Grand Mercure Hotel | <ul style="list-style-type: none"> • Acumen Aviation Leasing IFSC Pvt. Ltd. • Modair Aviation IFSC Pvt. Ltd. • Vman Aviation Services IFSC Pvt. Ltd. • Volark Leasing IFSC Pvt. Ltd. • Willis Lease Finance India IFSC Pvt. Ltd. |

Section: 6

Living in GIFT City



Living In GIFT City



Walk to work



Smart City



Recreational places



Cultural richness



Quality of life



Employment opportunities



Smart and intelligence offices



Global connectivity



Well planned residential areas



External connectivity



Educational institutes



State-of-the-art healthcare

Social Life in GIFT City

Kite festival in Ahmedabad

Since 1989, Ahmedabad has proudly hosted the **International Kite Festival** during Uttarayan, featuring master kite makers and flyers from around the world. Their exceptional creations always captivate the audience.



Marathon at GIFT City

GIFT City, with a diverse and international community, holds potential for networking opportunities and a growing social scene as it continues to evolve.



Social Life in GIFT City

Garba festival

Garba, a lively traditional dance at Gujarat's Navratri festival, sees people in colorful attire swirling to rhythmic beats, celebrating the triumph of good over evil. The spirited atmosphere reflects Gujarat's rich cultural heritage and community unity



BalVatika

BalVatika was created to improve the life of underprivileged children by providing them with basic necessities required for their growth, including food, shelter, elementary education, and care. It also qualifies as CSR activity under EC Conditions.



Buildings Under Construction (SEZ area)



IFSCA - Commercial Building
Development Rights (DR): 3,00,000 Sq. ft.,
Status: Development Permission Received.
Building Footprint: 12B
Expected to be completed by October 2024



Savvy ATS Realty LLP (Commercial Sub-Project 2)
Development Rights: 3,25,000 Sq. ft.,
Status: Development Permission received.
Building Footprint: 15C1
Expected to be completed by January 2027



Waystar Properties LLP (Commercial Sub-Project 1)
Development Rights: 3,44,151 Sq. ft.,
Status: Development Permission received.
Building Footprint: 15C2
Expected to be completed by November 2025



Junomoneta International (IFSC) Pvt. Ltd. - Commercial Building
Development Rights (DR): 3,29,126 Sq. ft.,
Building Footprint: 14C
Status: Development Permission received.
Expected to be completed by May 2025



Cybage Software Private Ltd - Commercial Building
Development Rights (DR): 1,27,531.46 Sq. ft.,
Status: Development Permission received.
Building Footprint: 14H
Expected to be completed by May 2025



Rajyash Project LLP - Commercial Building
Development Rights (DR): 1,64,530 Sq. ft.,
Status: Development Permission received.
Building Footprint: 14F
Expected to be completed by September 2025



Bhandari and Sangath Builders LLP - Residential Building
Development Rights (DR): 3,47,728 Sq. ft.,
Status: Development Permission received.
Building Footprint: 16C
Expected to be completed by November 2025



Shilp Infraprojects LLP - Residential Building
Development Rights (DR): 7,30,724 Sq. ft.,
Status: Development Permission received.
Building Footprint: 25B and C
Expected to be completed by March 2027



Shivalik Jhanvi Infraspaces LLP - Residential Building
Development Rights (DR): 5,66,000 Sq. ft.,
Status: Development Permission received.
Building Footprint: 16D
Expected to be completed by March 2027



Ozone Vishwanath Developers - Commercial Building
Development Rights (DR): 1,20,000 Sq. ft.,
Status: Development Permission received.
Building Footprint: 14G
Expected to be completed by November, 2025

Upcoming Developments In GIFT City

Buildings under planning – Domestic Tariff area



SBI – Residential
DR: 0.32 mn. sq. ft. (0.22 + 0.1
mn. sq. ft.)



Commercial Building
DR: 0.6 mn. sq. ft.



Befree Corporate House DR:
0.1 mn. sq. ft.



Commercial Tower
DR: 0.07 mn. sq. ft.



Institutional Building DR: 2.0
mn. sq. ft.



Hospital Building
DR: 0.32 mn. sq. ft.



Commercial Building DR: 2.0
mn. sq. ft.



Commercial Tower
DR: 0.08 mn. sq. ft.



Commercial
DR: 0.5 mn. sq. ft.



Commercial
DR: 0.5 mn. sq. ft.

Buildings under planning – SEZ area



Commercial Tower
DR: 0.05 mn. sq. ft.



Commercial Tower DR: 0.3
mn. sq. ft.



Commercial and Residential
DR: 0.89 mn. sq. ft.



Commercial and
Residential DR: 0.54
mn. sq. ft.



Commercial
DR: 0.54 mn. sq. ft.

Upcoming Developments In GIFT City

Allotments in FY 2022-23



Commercial Tower
DR: 0.38 mn. sq. ft.



Commercial Tower
DR: 0.5 mn. sq. ft.



Brigade Tower 2: Commercial
DR: 0.37 mn. sq. ft.



Residential
DR: 0.25 mn. sq. ft.



Tec City Bullion Refinery Ltd
DR: 0.12 mn. sq. ft.



Commercial Tower
DR: 0.52 mn. sq. ft.

Allotments in FY 2023-24



Commercial Tower (15E)
DR: 0.5 mn. sq. ft.



MLCP with Commercial Development
DR: 0.5 mn. sq. ft.

Upcoming Projects In GIFT City



Foreign universities – International branch campus and Offshore education centres



Developing ship leasing and financing activities at GIFT City



International FinTech and Research Institute at GIFT City



Global treasury operations



Attracting large Global In-house Centres (GICs) for financial services



FinTech and TechFin



Annexure

Fee structure: Banking

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | |
|------------------------------|-----------------|---|----------|---------------|----------|--|-----------|--------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| IFSC Banking Units | \$1,000 | License | \$25,000 | NA | Nil | Annual Turnover on March 31 of last FY | | Nil | 20% of Licence Fee | \$2,500 |
| | | | | | | <=\$1 Bn | \$50,000 | | | |
| | | | | | | > \$1 Bn and <= \$3 Bn | \$100,000 | | | |
| | | | | | | > \$3 Bn | \$150,000 | | | |
| Global Administrative Office | \$1,000 | License | \$25,000 | Annual | \$10,000 | NA | Nil | | | |
| Representative Office | \$1,000 | License | \$12,500 | Annual | \$5,000 | | | | | |

Annexure

Fee structure: Insurance

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | |
|--|-----------------|--|---------|---------------|--|--------------|--------|-----------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| IFSC Insurance Office | | | | | | | | | | |
| Transacting Direct Insurance Business | \$1,000 | Registration | \$5,000 | Annual | \$11,500, or 1/20th of 1% of total gross premium written by IIO, whichever is higher | NA | Nil | Nil | 20% of Registration Fee | \$2,500 |
| Transacting Re- Insurance Business | | | | | | | | | | |
| IFSC Insurance Itermmediary Office | | | | | | | | | | |
| Direct / Re- insurance / Composite Insurance Brokers | \$500 | Registration | \$1,000 | Annual | \$2,000 | NA | Nil | Nil | 20% of Registration Fee | \$1,500 |
| Corporate Agent | \$500 | Registration | \$500 | Annual | \$200 | | | | | |
| Surveyor and Loss Assessor | | | | | | | | | | |
| Third party Administrator – Health Services | | | | | | | | | | |
| Insurance Web Aggregator | | | | | | | | | | |

Annexure

Fee structure: Capital Markets

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | |
|------------------------------------|-----------------|---|----------|---------------|---------|---------------------------|--|--------------------|--|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature (2)) | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Market Infrastructure Institutions | | | | | | | | | | |
| Stock Exchange | \$1,000 | Registration | \$25,000 | Annual | \$1,000 | Annual Turnover (4) | | Nil | 20% of Registration Fee | \$1,500 |
| | | | | Renewal | \$1,000 | <=\$1.5 Bn | \$1,500 | | | |
| | | | | | | > \$1.5 Bn and <= \$15 Bn | \$15,000 | | | |
| | | | | | | > \$15 Bn and <= \$75 Bn | \$75,000 | | | |
| | | | | | | > \$75 Bn and <= \$150 Bn | \$150,000 | | | |
| | | | | | | > \$150 Bn | \$150,000 | | | |
| | | | | | | | plus 0.000012% of annual turnover in excess of \$150,000 | | | |
| Clearing Corporation | \$1,000 | Registration | \$15,000 | Annual | \$1,000 | N.A. | Nil | | | |
| Depositories | \$1,000 | Registration | \$10,000 | Annual | \$5,000 | Turnover (5) | 2% of annual custody charges collected from Issuers | | | |

Annexure

Fee structure: Capital Markets

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | | |
|--|-----------------|---|--------|---------------|--------|--------------|--------|--|---|---|--|
| | | Type of Fee | Amount | Flat | | Conditional | | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties | |
| | | | | Type of Fee | Amount | Basis of Fee | Amount | | | | |
| Fee for issuance and listing of securities on the recognised stock exchanges in IFSC | | | | | | | | | | | |
| Type of listing | | | | | | | | | | | |
| IPOs and FPOs of specified securities | NA | | | | | | | 0.05% of the offer size | 20% of Filing Fee | \$1,500 | |
| Start-up and SME Companies | | | | | | | | | | | |
| a. Listing without public offer | NA | | | | | | | Nil | 20% of Filing Fee | \$1,500 | |
| b. Listing with public offer | | | | | | | | 0.025% of the offer size | | | |
| Special Purpose Acquisition Companies | | | | | | | | 0.05% of the offer size | | | |
| Depository Receipts | | | | | | | | | | | |
| Debt Securities | | | | | | | | | | | |
| a. Public Issue | NA | | | | | | | 0.00025% of the offer size subject to a minimum fee of \$1,000 | 20% of Filing Fee | \$1,500 | |
| b. Private Placement^ | | | | | | | | \$1,000 | | | |
| Secondary listing (without public offer) - specified securities, debt securities and depository receipts | NA | | | | | | | Nil | | | |

(Fee shall be credited in full amount without any deduction or charges)

[^] In case of primary listing simultaneously on both the exchanges in IFSC, the total fee of \$ 1,000 shall be applicable)

Annexure

Fee structure: Capital Markets

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | | |
|--|-----------------|---|---------|-----------------|---------|--------------|-------------------------------|--------------------|--|---|--|
| | | | | Flat | | Conditional | | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation / Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties | |
| Capital Market Intermediaries | | | | | | | | | | | |
| Investment Bankers | \$1,000 | Registration | \$3,500 | Annual | \$3,500 | NA | Nil | Nil | 20% of Registration Fee | \$1,500 | |
| Investment Advisors | \$750 | Registration | \$1,500 | Annual | \$1,500 | | | | | | |
| Debenture Trustees | \$500 | Registration | \$3,500 | Annual | \$1,500 | | | | 20% of Registration Fee | \$1,500 | |
| Depository Participants | \$500 | Registration | \$500 | Annual | \$500 | | | | | | |
| Clearing Members | \$500 | Registration | \$1,000 | Annual | \$1,000 | | | | | | |
| Custodians | \$1,000 | Recognition | \$3,500 | Re- recognition | \$3,500 | | | | 20% of Recognition Fee | | |
| Credit Rating Agencies | \$1,000 | Registration | \$3,500 | Annual | \$3,500 | | | | | | |
| Account Aggregators | \$750 | Registration | \$1,500 | Annual | \$1,500 | | | | | | |
| Distributors of Capital Market Products and Services | \$750 | Registration | \$7,500 | Annual | \$2,000 | | | | | | |
| Broker Dealers | \$500 | Registration | \$1,000 | NA | Nil | Turnover* | Monthly @0.00010% of turnover | | | | |
| Broker Dealers and Subsidiaries of Exchanges providing Global Access | NA | NA | NA | Annual | \$1,000 | | | | NA | | |

*Monthly Turnover based Fee (Broker Dealers): Turnover based fee to be paid to IFSCA through the Stock Exchange

Annexure

Fee structure: Fund Regime

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | |
|--|-----------------|--|----------|---------------|---------|--------------|--------|--------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Authorised FME (except Family Investment Fund) | \$2,500 | Registration | \$5,000 | Annual | \$2,000 | NA | Nil | Nil | 20% of Registration Fees | \$2,500 |
| Family Investment Fund | | | \$15,000 | | | | | | | |
| Registered FME (Non - retail) | | | \$7,500 | | | | | | | |
| Registered FME (Retail) | | | \$10,000 | | | | | | | |

Fee for filing placement memorandum / offer document with the Authority

| | | | | | | | |
|--|----|---|-------|---------|---------------------|--------------------|---------|
| Venture Capital Scheme | NA | | | | \$7,500 | 20% of Filing Fees | \$2,500 |
| Angel Fund | NA | Filing of intimation regarding investment | \$500 | \$3,000 | | | |
| Restricted Scheme | | | | | | | |
| a. Category – I AIF | NA | | | | \$7,500 | 20% of Filing Fees | \$2,500 |
| b. Category – II AIF | | | | | \$15,000 | | |
| c. Category – III AIF | | | | | \$22,500 | | |
| Retail Scheme | | | | | | | |
| Exchange-Traded Fund (ETF) | | | | | \$22,500 | | |
| Investment Trust | | | | | 0.05% of offer size | | |
| Provision of Portfolio Management Services | | | | | \$5,000 | | |
| Applications for Regulatory / Innovation Sandbox, Fund lab, etc. | | | | | \$2,500 | | |

Note:

Registered FMEs filing ESG schemes with the Authority in terms of Chapter V of the IFSCA (Fund Management) Regulations, 2022, will be waived the scheme filing fee as specified above if the disclosures in the scheme are in line with the disclosures provided by the Authority for such schemes. The waiver of fee shall be applicable to only the first 10 ESG schemes registered with the Authority and each FME shall be permitted to avail the waiver only once.

Registered FMEs filing ETFs with the Authority in terms of Chapter IV of the IFSCA (Fund Management) Regulations, 2022, will be waived the filing fee as specified above for the first 3 ETFs filed by such FME with the Authority. The waiver of fee shall be applicable only to the first 30 ETFs registered with the Authority.

Annexure

Fee structure: Finance Companies

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | |
|--|-----------------|---|----------|---------------|----------|--------------|--------|--------------------|--|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation / Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Finance Companies/Units other than Aircraft and Ship Lessors | \$1,000 | Registration | \$12,500 | Annual | \$12,500 | NA | Nil | Nil | 20% of Registration Fee | \$2,500 |

Annexure

Fee structure: Aircraft Leasing

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | |
|----------------------------|-----------------|---|----------|---------------|----------|--------------|--------|--------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Aircraft Operating Lessors | \$1,000 | Registration | \$12,500 | Annual | \$5,000 | NA | Nil | Nil | 20% of Registration Fee | \$2,500 |
| Aircraft Financial Lessors | \$1,000 | Registration | \$12,500 | Annual | \$12,500 | NA | Nil | Nil | 20% of License Fee | \$2,500 |

Annexure

Fee structure: Ship Leasing

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | |
|------------------------|-----------------|---|----------|---------------|----------|--------------|--------|--------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Ship Operating Lessors | \$1,000 | Registration | \$12,500 | Annual | \$5,000 | N.A. | Nil | Nil | 20% of Registration Fee | \$2,500 |
| Ship Financial Lessors | \$1,000 | Registration | \$12,500 | Annual | \$12,500 | N.A. | Nil | Nil | 20% of Registration Fee | \$2,500 |

Annexure

Fee structure: Global In-house Centres

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | |
|----------------------------|-----------------|--|----------|---------------|--------|-----------------------------|----------|--------------------------|---|--|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Global In-House Centres | \$1,000 | Registration | \$12,500 | Nil | NA | No. of employees (++) | Annual | Nil | 20% of Registration Fee | \$2,500 |
| | | | | | | <500 | \$5,000 | | | |
| | | | | | | 500-1000 | \$7,500 | | | |
| | | | | | | >1000 | \$10,000 | | | |

(++) "No. of employees" in case of Global In-house centres will be highest employee strength in previous financial year

Annexure

Fee structure: Fintech

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | |
|-----------------------------|-----------------|---|---------|---------------|---------|--------------|--------|--------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Authorisation | \$500 | Registration | \$1,500 | Registration | \$1,500 | NA | Nil | Nil | 20% of Registration Fee | \$2,500 |
| Limited Use Authorisation** | \$100 | Registration | \$500 | Registration | \$1,500 | NA | Nil | Nil | Nil | \$500 |

****Fee prescribed with respect to Limited Use Authorisation not applicable with respect to Indian FinTech entities**

Annexure

Fee structure: Foreign Universities

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | |
|---|-----------------|---|----------|---------------------------|----------|--------------|--------|--------------------|---|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation/ Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| International Branch Campus and Offshore Education Centre | \$1,000 | Registration | \$25,000 | Annual (2nd Year Onwards) | \$10,000 | N.A. | Nil | Nil | 20% of Registration Fee | \$10,000 |

Annexure

Fee structure: Ancillary Services

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based Fee | Processing Fee | |
|-----------------------------|-----------------|---|---------|---------------|---------|--------------|--------|--------------------|--|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation / Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Ancillary Service Providers | \$1,000 | Registration | \$1,000 | Annual | \$1,000 | N.A. | Nil | Nil | 20% of Registration Fee | \$1,000 |

Annexure

Fee structure: Bullion Exchange

| Entities | Application Fee | License/Registration/ Authorisation Fee | | Recurring Fee | | | | Activity based fee | Processing Fee | |
|--------------------------------|-----------------------------------|---|----------|---------------|---------|---------------------------|---|--------------------|--|---|
| | | | | Flat | | Conditional | | | | |
| | | Type of Fee | Amount | Type of Fee | Amount | Basis of Fee | Amount | | Modification of terms and conditions of grant of License/ Registration/ Authorisation / Recognition, etc. (of substantive nature | Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing difficulties |
| Bullion Exchange | \$1,000 | Recognition | \$25,000 | Annual | \$1,000 | Annual Turnover* | | Nil | 20% of Registration Fee | \$1,500 |
| | | | | | | <=\$1.5 Bn | \$1,500 | | | |
| | | | | | | > \$1.5 Bn and <= \$15 Bn | \$15,000 | | | |
| | | | | | | > \$15 Bn and <= \$75 Bn | \$75,000 | | | |
| | | | | | | > \$75 Bn and <= \$150 Bn | \$150,000 | | | |
| | | | | | | > \$150 Bn | \$150,000 plus 0.000012% of annual turnover in excess of \$150 Bn | | | |
| Clearing Corporation | \$1,000 | Recognition | \$15,000 | Annual | \$1,000 | N.A. | Nil | Nil | 20% of Recognition Fee | \$1,500 |
| Clearing Members# | \$500 | Registration | \$1,000 | Annual | \$1,000 | | | | 20% of Registration Fee | |
| Trading Members# | \$500 | Registration | \$1,000 | N.A. | Nil | Turnover** | Monthly @0.00010% of turnover | | 20% of Registration Fee | |
| Vault Managers | \$500 | Registration | \$5,000 | Annual | \$5,000 | N.A. | Nil | | | |
| Qualified Jewellers/ Suppliers | Decision on Fee kept in abeyance. | | | | | | | | | |

Applicable to Bullion Trading Members and Bullion Clearing Members who have not been grandfathered or are not eligible for being grandfathered in terms of IFSCA Circular dated September 17, 2021 read with IFSCA Circular dated January 27, 2023.

*Annual Turnover (Bullion Exchanges): Based on the volume of operations

**Monthly Turnover based Fee (Trading Dealers): Turnover based Fee to be paid to IFSCA through the Bullion Exchange



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