



**International Financial
Services Centres Authority**

ANNUAL REPORT 2023-24



ANNUAL REPORT

2023-24



This report is in conformity with the form prescribed in the International Financial Services Centres Authority (Annual Report and Returns and Statements and Other Particulars) Rules, 2022 notified on February 28, 2022, in the Gazette of India.





K.Rajaraman
Chairperson



सचिव,
भारत सरकार,
आर्थिक कार्य विभाग,
वित्त मंत्रालय, नॉर्थ ब्लॉक,
नई दिल्ली - 110 001

आईएफएससीए- ईसीपीए/4/2023- इकनोमिक पालिसी एंड एनालिसिस

जून 28, 2024

प्रिय महोदय,

अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण अधिनियम, 2019 की धारा 19(2) के उपबंधों के अनुसार, मैं एततदवारा भारत के राजपत्र, असाधारण के आग II खंड 3 उप-खंड (i) में, 28 फरवरी, 2022 को अधिसूचित अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण (वार्षिक रिपोर्ट और विवरणियां तथा विवरण और अन्य विशिष्टियां) नियम, 2022 में निर्धारित किए गए प्रारूप में, 31 मार्च 2024 को समाप्त वर्ष के लिए अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण की वार्षिक रिपोर्ट की प्रति अयोग्यित कर रहा हूँ।

अवदाय,
(K. Rajaraman)
(क. राजरामन)

संलग्न: उपरोक्तानुसार

The Secretary,
Government of India,
Department of Economic Affairs,
Ministry of Finance, North Block,
New Delhi - 110 001

IFSCA-EcPA/4/2023-Economic Policy and Analysis
June 28, 2024

Dear Sir,

In accordance with the provisions of Section 19(2) of the International Financial Services Centres Authority Act, 2019, I forward herewith a copy of the Annual Report of the International Financial Services Centres Authority for the year ended March 31, 2024, in the format prescribed in the International Financial Services Centres Authority (Annual Report and Returns and Statements and Other Particulars) Rules, 2022, notified on February 28, 2022, in Part II Section 3 Sub-section (i) of the Gazette of India Extraordinary.

Yours faithfully,

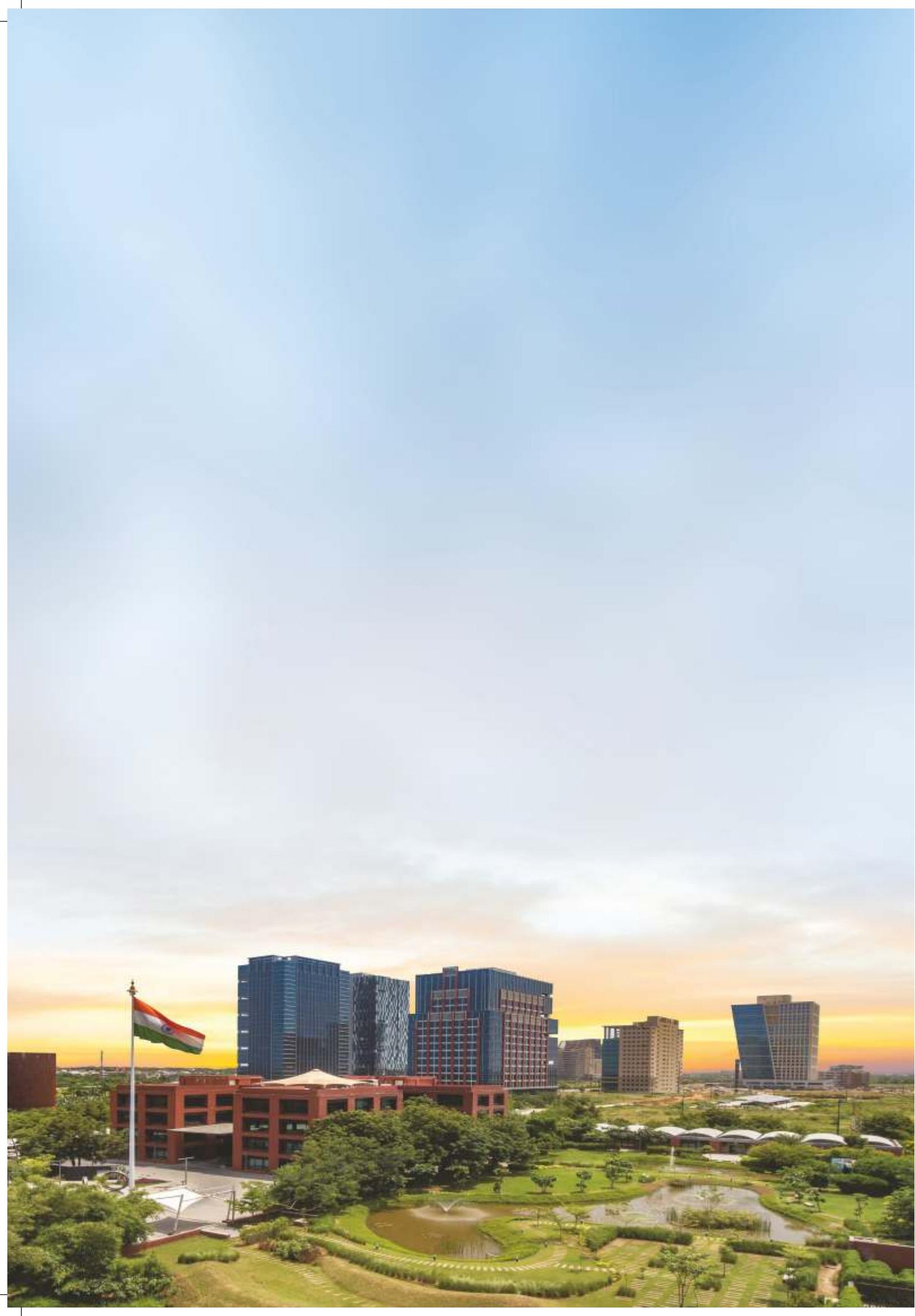
(K. Rajaraman)
(K. Rajaraman)

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

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SECTION-A



STATEMENT OF GOALS & OBJECTIVES

The International Financial Services Centres Authority (IFSCA) was set up by the Government of India on April 27, 2020, as a unified financial regulator under the International Financial Services Centres Authority Act, 2019. It is headquartered at Gujarat International Finance Tec-City (GIFT City), Gandhinagar in Gujarat. The main objective of IFSCA (hereinafter referred to as "the Authority") is to develop and regulate financial services in the International Financial Services Centres (IFSCs) established in India, with a mandate to create a world-class financial ecosystem with ease of doing business and best-in-class regulatory system with a view to making IFSCs a preferred global destination for international financial services. IFSCA is a unified financial regulator, having power to regulate banking, capital market, insurance, and pension funds, with powers of RBI, SEBI, IRDAI and PFRDA being assigned to IFSCA for regulation of IFSCs. IFSCA adopts a holistic vision towards the development and regulation of financial products, financial services, and financial institutions in IFSCs in India. The GIFT IFSC is the maiden International Financial Services Centre in India.

Vision

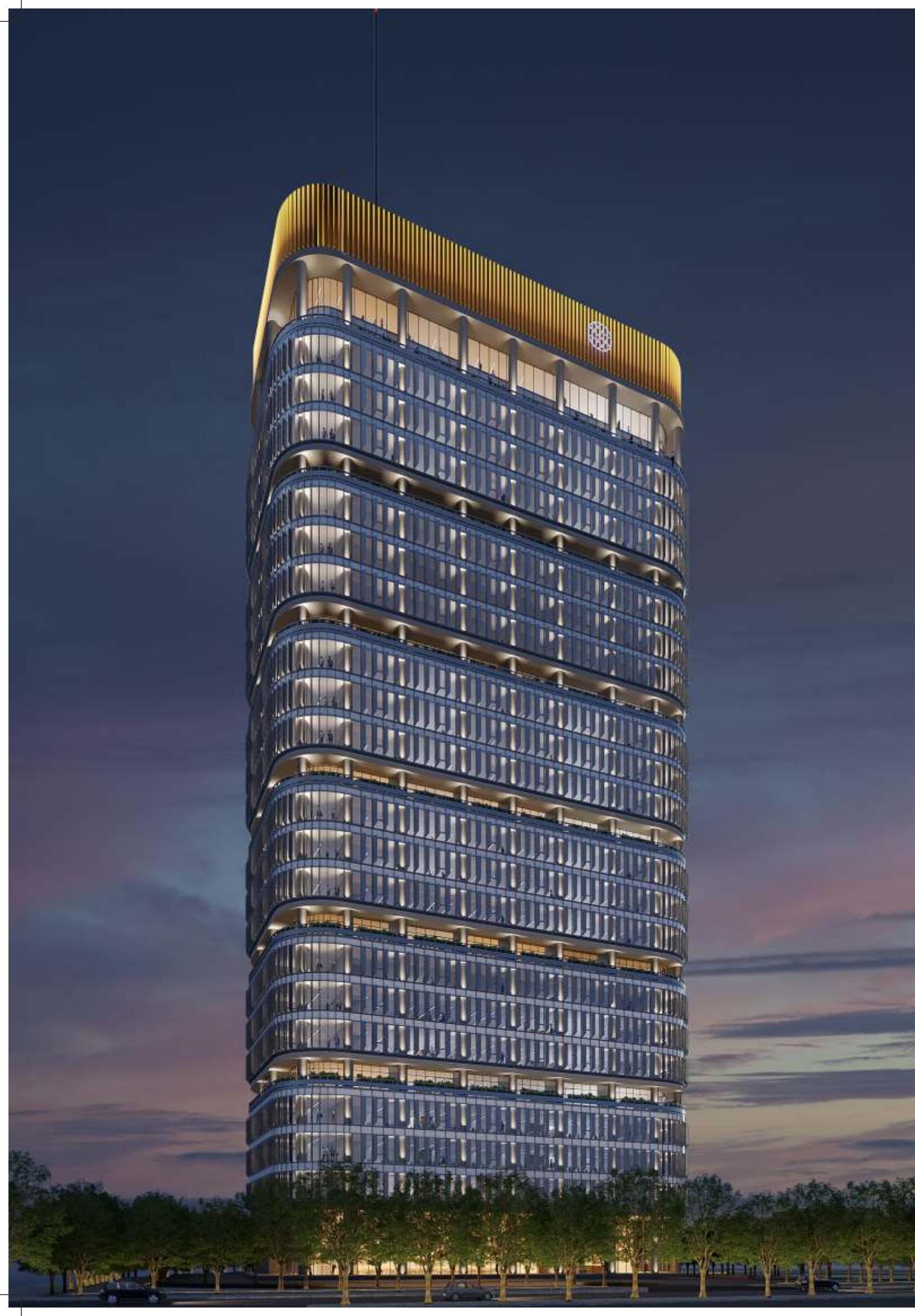
To provide world-class regulatory environment and develop IFSCs with primary focus on accelerating India's economic development, besides serving as a regional and global financial hub.

Mission

To develop IFSCs into well-diversified and globally competitive financial hubs for international banking, insurance, and capital market activities through a pro-business environment, duly supported by a progressive regulatory architecture, state-of-the-art technology and infrastructure, and talented financial professionals, which serve both the Indian economy and the region as a whole.

Goals & Objectives

- (i) To facilitate the development of a strong base of international financial services in India
- (ii) To promote IFSCs as a dominant gateway for international capital flows into and out of India
- (iii) To emerge as a regional and global hub for international financial services
- (iv) To provide a state-of-the-art unified regulatory framework, with robust regulation and supervisory technology aligned with international best practices
- (v) To develop a strong global, connect with leading international financial jurisdictions



CHAIRPERSON'S MESSAGE

I am delighted to present this report, reflecting on the remarkable journey and progress of the International Financial Services Centres Authority (IFSCA).

Since its inception in 2020, IFSCA has diligently worked towards establishing a robust regulatory framework aligned with global standards and practices within the GIFT IFSC. This endeavour has been bolstered by the unwavering support extended by the Government of India, which has provided a competitive tax regime and spearheaded key policy reforms, fostering an environment conducive to financial innovation and growth.

Noting the progress made by GIFT IFSC, Hon'ble Prime Minister Shri Narendra Modi in his address during Infinity Forum 2.0 outlined his vision as follows "*India being a ray of hope for the world, a result of its strengthening economy and transformative reforms of past decade. We want to make GIFT city the Global Nerve Centre of New Age financial services.*" Guided by this vision, IFSCA has been at the forefront of innovation by constantly benchmarking its regulations with the best jurisdictions.

GIFT IFSC was commended in the presentation of the interim Budget for 2024-25. In her address, Hon'ble Finance Minister, Smt. Nirmala Sitharaman stated that, "*GIFT IFSC and the unified regulatory authority, IFSCA, are creating a robust gateway for global capital and financial services for the economy*". This acknowledgment highlights the critical role played by the IFSCA and the GIFT IFSC in bolstering the economy and fostering an environment conducive to attracting global capital and financial services.

IFSCA is committed to fostering a vibrant and competitive ecosystem within the GIFT IFSC. Following the announcement by Hon'ble Finance Minister in 2023, IFSCA is poised to release the final norms for direct listing at GIFT IFSC by early July, a testament to our dedication to facilitating seamless access to international capital markets.

Our focus is towards leveraging GIFT IFSC's competitive regulatory foundation to attract global financial sector firms to serve India and the region. Indian-owned businesses that have historically operated from overseas jurisdictions are now setting up businesses in GIFT IFSC. Registration of prominent ship lessors and the successful leasing of bulk carriers through GIFT City signals a promising trajectory for India's maritime industry.

Our ongoing efforts in fostering international collaboration in the global financial landscape include signing of a Memorandum of Understanding (MoU) between IFSCA and the Financial Services Commission, Mauritius (FSC Mauritius) and the Multi-lateral Memorandum of Understanding (MMoU) with International Association of Insurance Supervisors (IAIS), of which IFSCA is a member. These MoUs enable IFSCA to connect the GIFT IFSC ecosystem with other financial centres.

As we continue to expand our horizons, we remain committed to nurturing and attracting global and domestic talent pool to GIFT IFSC. New Regulations relating to export of business accounting, compliance services, and auditing services from IFSC are in line with our commitment to positioning GIFT IFSC as a global hub for financial services.

I am also proud to announce that IFSCA has granted registration to 7 International Banking Units (IBUs), 59 Fund Management Entities (FMEs), 71 Alternate Investment Funds (AIFs), 6 IFSC Insurance Offices (IIOs), 6 IFSC Insurance Intermediary Offices (IIIOs) amongst key regulated entities licensed by IFSCA in 2023-24. This is proof of strong domestic and global participation in the GIFT IFSC's growth story.



Shri K Rajaraman
Chairperson, IFSCA



In alignment with Government of India's vision for Viksit Bharat@2047, we are dedicated to empowering Indian businesses to gain access to cost-effective and diverse forms of international capital and financial services. The forthcoming task of implementing a real-time payment settlement mechanism by the Q4 of 2024 is intended to boost the efficiency of the IFSC financial markets.

While we continue to innovate, IFSCA is also conscious of the need to maintain fairness, transparency and integrity in IFSC markets. Protecting investors is a very important task and IFSCA has commenced onsite and offsite supervision of regulated entities. IFSCA is constantly monitoring compliance with AML and CFT regulations and take all measures to safeguard GIFT IFSC's reputation as a safe and secure financial marketplace for investors.

As we reflect on our achievements and look towards the future, I am confident that with continued collaboration and support from all stakeholders, GIFT IFSC will emerge as a beacon of financial excellence, serving as a Global Platform for raising capital for ViksitBharat@2047 and cementing its position on the global financial map.

Thank you for your unwavering support and commitment to IFSCA's vision.

MEMBERS OF THE AUTHORITY (As on 31.03.2024)



Shri K Rajaraman
Chairperson, IFSCA



Shri Pankaj Sharma
Member



Ms. Surbhi Jain
Member



Shri Saurav Sinha
Member



Shri Pramod Rao
Member



Shri Ananta Gopal Das
Member



Shri Pramod Kumar Arora
Member



SENIOR MANAGEMENT OF THE AUTHORITY

(As on 31.03.2024)

Name	Designation
Sh. Praveen Trivedi	Executive Director
Sh. Dipesh Shah	Executive Director
Sh. Pradeep Ramakrishnan	Executive Director
Sh. Kumar Raghuraman	Chief General Manager
Sh. Supriyo Bhattacharjee	Chief General Manager
Sh. Ashutosh Sharma	Chief General Manager
Sh. Kamlesh Sharma	Chief General Manager
Sh. Joseph Joshy C J	Chief General Manager

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Conventions used in this report

- ₹ : Rupees (Rs)
 Lakh : Hundred thousand
 Crore : Ten million
 Million (Mn) : Ten lakh
 Billion (Bn) : Thousand million/hundred crore
 Differences in total are due to rounding off and sometimes they may not exactly add up to hundred per cent.

This report can also be accessed on internet at: <https://www.ifsc.gov.in/>



ABBREVIATIONS

ACFIT	Audit Papers, Compel Attendance, Freeze Assets, Internet Records, Telephone Records
ACLI	American Council of Life Insurers
AD	Authorized Dealer
ADB	Asian Development Bank
AED	UAE Dirham
AGM	Annual General Meeting
AI/ML	Artificial Intelligence/ Machine Learning
AIF	Alternative Investment Funds
ASSOCHAM	Associated Chambers of Commerce and Industry of India
AUD	Australian Dollar
AUM	Assets Under Management
BCG	Boston Consulting Group
BFSI	Banking, Financial Services and Insurance
BU	Banking Units
CAD	Canadian Dollar
CAGR	Compound Annual Growth Rate
CBR	Cross Border Reinsurers
CCP	Central Counterparties
CDSL	Central Depository Services Ltd.
CEEW	Council on Energy, Environment and Water
CEPA	Comprehensive Economic Partnership Agreement
CERT-In	Indian Computer Emergency Response Team
CHF	Swiss Franc
CIN	Corporate Identification Number
COB	Conduct Of Business
CPI	Consumer Price Index
CRAR	Capital to Risk (Weighted) Assets
DEA	Department of Economic Affairs
DFSA	Dubai Financial Services Authority
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
EMMoU	Enhanced Multilateral Memorandum of Understanding
EoDB	Ease of Doing Business
e-OFFICE	Electronic Office
ERP	Enterprise Resource Planning

ESG	Environmental, Social or Governance
EUR	Euro
EXIM	Export Import Bank of India
FC	Finance Company
FCA	Financial Conduct Authority
FCY	Foreign Currency
FEM (NDI)	Foreign Exchange Management (Non-debt Instruments)
FICCI	Federation of Indian Chambers of Commerce and Industry
FIRST	Foundation For Innovation & Research in Science & Technology
FME	Fund Management Entity
FY	Financial Year
GBP	UK Pound Sterling
GDP	Gross Domestic Product
GFF	Global FinTech Fest
GFIN	Global Financial Innovation Network
GIC	Global In-house Centre
GIFT	Gujarat International Finance-Tec City
GNPA	Gross Non-Performing Asset
GSTIN	Goods and Services Tax Identification Number
GSTN	Goods and Services Tax Network
GVA	Gross Value Added
GVFL	Gujarat Venture Finance Limited
HKD	Hong Kong Dollar
IAC	International Arbitration Centre
IAIS	International Association of Insurance Supervisors
IAMAI	Internet and Mobile Association of India
IBA	Indian Banks Association
IBC	IFSC Banking Company
IBU	IFSC Banking Unit
ICAI	Institute of Chartered Accountants of India
ICEGATE	Indian Customs Electronic Gateway
ICES	Indian Customs EDI System
IDY	International Day of Yoga
IFSC	International Financial Services Centre
IFSCA	International Financial Services Centres Authority
IIBX	India International Bullion Exchange
IIDI	India International Depository IFSC Limited



IIIO	IFSC Insurance Intermediary Office
IIML	Indian Institute of Management Lucknow
IIO	IFSC Insurance Office
IMF	International Monetary Fund
INR	Indian Rupee
InvIT	Infrastructure Investment Trust
IOSCO	International Organization of Securities Commission
IRDAI	Insurance Regulatory and Development Authority of India
ISP	Internet Service Provider
ITeS	Information Technology/ Information Technology enabled Services
ITC (HS)	Indian Trade Clarification (Harmonized System)
ITFS	International Trade Financing Services
IVCA	Indian Venture and Alternate Capital Association
JFSA	Japanese Financial Services Authority
JPY	Japanese Yen
LAN	Local Area Network
LBMA	London Bullion Market Association
LPTM	Limited Purpose Trading Member
MAS	Monetary Authority of Singapore
MCA	Ministry of Corporate Affairs
MCLR	Marginal Cost of Funds-based Lending Rate
MCX	Multi Commodity Exchange
MEPF	Mechanical, Electrical, Plumbing, And Fire Protection
MGA	Managing General Agents
MII	Market Infrastructure Institutions
MIS	Management Information Systems
MSME	Ministry of Micro, Small & Medium Enterprises
MUFG	Mitsubishi UFJ Financial Group
NASSCOM	National Association of Software and Service Companies
NDF	Non-Deliverable Forward
NIC	National Informatics Centre
NICCL	NSE IFSC Clearing Corporation Limited
NIFTY	National Stock Exchange Fifty
NSCS	National Security Council Secretariat
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
NSE IX	NSE International Exchange

ODI	Offshore Derivative Instruments
OEC	Offshore Education Centres
OFS	Offer For Sale
OIS	Overnight Indexed Swaps
OVL	ONGC Videsh Ltd
PAN	Permanent Account Number
PCI	Payment Council of India
PDPU	Pandit Deendayal Petroleum University
PFRDA	Pension Fund Regulatory and Development Authority
PoSH	Prevention of Sexual Harassment
PRC	Performance Review Committee
RBI	Reserve Bank of India
REIT	Real Estate Investment Trust
RFP	Request For Proposal
RoE	Return on Equity
RTI	Right To Information
RUB	Russian Rouble
SCB	Scheduled Commercial Banks
SEBI	Securities And Exchange Board of India
SFC	Superintendencia Financiera de Colombia
SGD	Singapore Dollar
SGrBs	Sovereign Green Bonds
SGX	Singapore Stock Exchange
SNRR	Special Non- Resident Rupee Account
SOP	Standard Operating Procedure
STPI	Software Technology Parks of India
SWITS	Single Window IT System
TERI	The Energy Research Institute
TMCM	Trading Member/Clearing Member
TRQ	Tariff Rate Quota
UAEGD	UAE Good Delivery
UK	United Kingdom
UNDP	United Nations Development Program
USD	United States Dollar
WPI	Wholesale Price Index
YoY	Year on Year



SECTION-B



THE YEAR IN REVIEW //

Global Economy Assessment and Outlook

The period following the year 2022 was characterized by significant changes in the global trading pattern due to intense geo-economic fragmentation and rising trade tensions. Supply shocks were felt across the globe as disturbances were experienced across all major trade routes including Black Sea, Red Sea and Panama Canal.¹ These events led to a grim outlook for the economy and to anticipation of a global recession.

Central banks around the globe adopted a tight monetary stance to restore price stability but the rate of monetary transmission² varied among countries; the long-term monetary actions were successful in controlling the inflation expectations in the emerging economies, but the monetary transmission was not as rapid in developed countries.³

Despite all disturbances and challenges, the global economy grew steadily, showing extreme resilience. During 2022 and 2023, global real GDP rose by a cumulative 6.7 per cent⁴ and there was no inflation spiral as anticipated. In fact, as a welcome change, ever since the global inflation surge started, the headline inflation was at par with the pre-pandemic period for many economies towards the end of 2023.

It is estimated that the global economy will continue growing at 3.2 per cent in 2024 and 2025. For advanced economies, the growth is projected to rise gradually, from 1.6 per cent in 2023 to 1.7 per cent in 2024 and 1.8 per cent in 2025; whereas in emerging market and developing economies, growth is expected to be comparatively higher at 4.2 per cent in 2024 and 2025.⁵

The global headline inflation is expected to fall from an annual average of 6.8 per cent in 2023 to 5.9 per cent in 2024 and further down to 4.5 per cent in 2025.

Thus, key decision makers are now faced with the complex challenge of navigating through a paradoxical world economy which is on one hand still recovering from multiple shocks and on the other, trying to find footing in a scenario of extreme interdependence accompanied by political fragmentation further obscured by the impending threat of climate change. A synchronised series of joint efforts and continuous and active co-operation is the need of the hour.

Financial Markets Performance

Banking Industry

Banking industry around the globe was impacted adversely by the atmosphere of investor distrust arising from the Silicon Valley Bank crisis and other disturbances.⁶

¹ Unprecedented shipping disruptions raise risk to global trade, UNCTAD warns", Feb 2024, UNCTAD

² The process through which monetary policy decisions affect the economy in general and the price level in particular (ECB)

³ World Economic Outlook, April 2024, IMF

⁴ ibid

⁵ ibid

⁶ Global Financial Stability Notes, March 2024, IMF

In the beginning of the year 2024, expectations about policy wavered greatly, oscillating between periods of optimism and pessimism. The economic conditions continued to improve as the investors around the globe were expecting looser policy, and the credit spreads also narrowed as there was a lower perception of risk.⁷ However, the monetary stance tightened in various economies, in anticipation of inflationary pressures.⁸

There was a notable shift in cross-border financial activity during this period. The cross-border claims fell by USD 377 Bn in the fourth quarter of 2023, which is considerably less than the fall of USD 1.4 trillion registered in the fourth quarter of 2022. The outstanding value of cross-border financial activity as of December 2023 was USD 39 trillion.⁹

Credit to the non-bank sector rose by USD 247 Bn in the fourth quarter of 2023 marking a major uptick from the previous year. Credit offered to non-banking financial institutions however displayed a mixed trend. The first three quarters of 2023 marked an uptick of USD 600 Bn but fell by USD 16 Bn during the fourth quarter. Despite the decline in cross-border claims, cross-border credit increased by USD 319 Bn this year.

Moreover, credit to emerging market and developing economies (EMDEs) increased by USD 30 Bn in the fourth quarter of 2023 as opposed to a fall of USD 179 Bn which was recorded in the previous year (Q4 2022). This increase signals continued investor interest or confidence in these economies, despite the fluctuations.

The top 10 Global banks in the world had a total market capitalisation value of USD 1,879,696 Mn, of which the top 2 banks, i.e., JPMorgan Chase & Co and Commercial Bank of China Ltd. Accounted for 20% and 12.5%, respectively.¹⁰

Capital Markets

The actions of central banks around the world to control inflationary pressures arising from the global events that unfolded, in turn, created pressure on share prices around the world. The most conspicuous effects include a decrease in the number of IPOs and in investment flows globally, which fell by 27% and 53.4%, respectively in comparison to their 2022 levels. Only a few markets, like the U.S., offered a positive trend. Similarly, trading activity in the cash equities decreased across regions. On similar lines, the global value and volume of shares traded decreased by 20.9% and 13.9%, respectively; such decline was observed across all regions.¹¹

By contrast, there was an increase in volume of commodity derivatives because of frenzied steps taken to manage risks in response to consistent rate hikes and geopolitical tensions.¹²

⁷ Quarterly Review, March 2024, BIS

⁸ ibid

⁹ International banking statistics and global liquidity indicators, December 2023, BIS

¹⁰ 'Top 10 Banks', 2023, Global Data

¹¹ Market Highlights, 2023, World Federation of Exchanges

¹² ibid



Funds Industry

The global asset management industry's assets rose to nearly USD 120 trillion in 2023, reverting from a decline the year before. However, asset managers faced a variety of challenges to their growth.¹³ Market performance has been the major factor driving the industry's revenue growth for nearly two decades. However, in 2022, rapidly rising interest rates caused both stock and bond values to plummet. Global Assets under Management (AUM) fell by USD 10 trillion to USD 98 trillion—near 2020 levels. The net flow rate of assets also fell below 3% for the first time since 2018, reaching 1.6% of total AUM at the beginning of 2022.¹⁴

A transformative mindset of Fund Managers, focusing on profitability, private markets, and personalization to navigate the economic uncertainty and meet investor demands, is the primary need of the moment. New technologies, notably direct indexing, are effectively democratizing the ability to personalize products for the end investor.

Alternative Investments represented more than USD 20 trillion of global AUM as of year 2022. These products also accounted for half of the industry's global revenues, generating more than USD 190 Bn in revenues for the firms that offer them. This strong momentum is expected to prevail with a CAGR of 7% in alternative assets over next few years.¹⁵

Insurance Industry

In the insurance industry, both life and non-life businesses are expected to improve. In the non-life sector, the return on equity (ROE) is expected to rise to 9.3% in 2024 owing to strengthening investment return, whereas in the life sector the premiums are expected to rise by 1.5% in 2024, above the 10-year trend of 1.3%.

US remains at the top of the global insurance industry with premiums close to USD 3 trillion in 2022 and a global share market of 44%. China stands second with premium volume of USD 698 Bn, followed by the UK who replaced Japan in the third position, with a premium volume of USD 363 Bn. India has notably increased its global share and is on course to be the sixth largest market in the world by 2032. The global insurance premium volumes (non-life and life) are projected to grow by 1.1% in 2023 and by 1.7% in 2024 in real terms (both below the 10-year trend of 2.6%), after a 1.1% decline in 2022. It is also expected that for non-life, premium growth will rise to 1.4% in real terms after a gain of just 0.5% in 2022.¹⁶

Markets worldwide have displayed a sense of distrust as a response to multiple shocks that were faced during this period. Re-generating trust in such a scenario may be a challenge for the insurance industry. Introducing highest standards for transparency and accountability and technological adaptability along with strict regulation are thus crucial at this juncture.¹⁷

¹³ AI and the next wave of Transformation, 2024, BCG

¹⁴ The Tide has turned, 2023, BCG

¹⁵ ibid

¹⁶ Sigma Report, 2023, Swiss Re

¹⁷ ibid

The gross re-insurance premiums increased by almost 10% by the end of 2022. The Gross Written Premium for the global insurance market including re-insurance on the other hand saw a slight decrease of 0.3% in 2023.¹⁸

The global gross reinsurance market size amounted to USD 809 Bn with 46% located in America. The net value on the other hand was USD 570 Bn.¹⁹

There were few changes in the allocation of reinsurer's assets including minor increase to the equity component and loans and a decrease in the holdings of corporate and sovereign debt and an uptick was observed in the use of asset intensive reinsurance in the life-insurance sector ever since the pandemic, due to persistently lower rates and evolving regulatory frameworks in the period after. Bermuda, USA, Germany, Switzerland, and UK emerged to be the five largest reinsurance markets in terms of gross premiums.²⁰

Bullion

As a result of the high level of geopolitical risks, a fall in global demand for gold was observed. Demand for gold is comprised of four major components i.e jewellery, technology, investment and demand generated by central banks.

The total demand for gold fell by 5% to 4467.9 tonnes in 2023 in comparison to 4699.4 tonnes in 2022. Jewellery demand, which is the biggest component of total gold demand was recorded at 2192.2 tonnes in 2023 which is slightly less than 2195.9 tonnes in the previous year.

Second biggest component of the overall demand was Investment comprising bars, coins, ETFs and similar products. This stood at 1112.8 tonnes registering a 15 % decline from 940.7 tonnes in 2022. Demand generated by central banks also decreased during this period, falling to 1081.9 tonnes in 2023.²¹

The world silver market went through a period of deficit, wherein the overall demand for silver heavily exceeded the supply. Silver demand was primarily driven by use of silver in industrial applications and in jewellery making. The usage in green technologies like solar power equipment witnessed a rise due to the recent climate transition movement that is being adopted by multiple countries worldwide and this demand is further anticipated to rise by 9% in 2024, as transition to cleaner energies becomes more rapid.

The total supply of silver primarily depends on the mining production levels and the overall recycling levels. The mining levels around the globe fell by 1% in 2023 compared to the previous year.²² The recycling levels were also muted in the year and are expected to fall further down in 2024.²³ Despite 11% growth in Industrial demand, silver jewellery fabrication fell by 13% in 2023-24, especially in India, leading to a drop in demand by 7%. These factors lead to reduced supply of silver in the market.

¹⁸ Global Insurance Market Report, 2023, IAIS

¹⁹ Figures are representative of the sample of respondents included in the IAIS' survey 2023

²⁰ Global Insurance Market Report, 2023, IAIS

²¹ Gold Outlook, 2024, World Gold Council

²² World Silver Survey, 2024, The Silver Institute

²³ ibid



India: Economic Assessment and Prospects

Gross Domestic Product

The Indian economy exhibited resilience during FY 2023-24, notwithstanding persistent headwinds from subdued external demand, protracted geopolitical tensions and volatile global financial markets. The growth in real Gross Domestic Product (GDP) during 2023-24 is estimated at 7.6 per cent as compared to 7.0 per cent in 2022-23²⁴, supported by robust growth in fixed investment on the back of the government's focus on capital expenditure. On the supply side, economic activity was lifted by the boost to the manufacturing sector's profitability from the correction in input prices and sustained momentum in services activity, even as the agricultural sector activity exhibited a slowdown.²⁵

The Asian Development Bank (ADB) projects growth in India's GDP to rise to 6.7% in FY2024-25, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem.²⁶ FY 2024-25 is expected to see faster growth in investment, based on supportive government policies and sound macroeconomic fundamentals, lower non-performing loans in banks, and significant corporate deleveraging that will enhance bank lending.²⁷

Prominent international organisations also concur with these growth expectations. The International Monetary Fund (IMF) has categorised India amongst the developing countries that are most rapidly integrating into the global economy through trade, it estimates India to undergo a growth of 6.8% in FY 24 and 6.5% in FY 25 owing to its rising working population and demand.²⁸

The ADB foresees robust public and private sector investment demand and a gradual improvement in consumer demand due to the improvement of the rural economy in India. As a result, India is estimated to grow by 7.0% in FY 24 and by 7.2%²⁹ in FY 25.

The World Bank attributes resilient growth in India to strong domestic demand, expanding fixed investment amid rising public infrastructure spending and strong private-sector credit growth, it has estimated a growth of 6.3 per cent in FY 2023-24 followed by a gradual increase to 6.4 per cent in FY2024-25 and finally to 6.5 per cent in FY 2025-26.³⁰

Inflation

Inflation rate in India slowed down in 2023-24, dropping to 5.4% from 6.7% in the previous year. This was largely driven by a decrease in core inflation from 6.1% to 4.3%. Fuel inflation also decreased significantly as a result of fall in domestic prices for Liquefied Petroleum Gas (LPG) and kerosene. This was majorly impacted by the corrections in global energy prices.³¹

The year-on-year inflation rates (%) based on CPI were higher for the urban and rural sector compared to the previous year. The combined level was 4.83% as opposed to 4.7% last year which can be attributed to the rural level, which rose to 5.43% as opposed to 4.68% last year. The urban

²⁴ Second Advanced Estimates, 2024, NSO, MoSPI

²⁵ Annual report, 2023-24, RBI

²⁶ Asian Development Outlook, April 2023

²⁷ ibid

²⁸ World Economic Outlook, April 2024, IMF

²⁹ Economic Forecast for India, 2024, ADB

³⁰ Global Economic Prospects, 2024, World Bank

³¹ Annual report, 2023-24, RBI

inflation level, however, fell from 4.85% in the previous year to 4.11%.³² The annual rate of inflation based on all India Wholesale Price Index (WPI) rose to 2.61 % for the month of May 2024 over May 2023.³³

Food inflation increased amidst high volatility. Prices of cereals, pulses, spices, and vegetables continued to rise due to overlapping and continuous supply shocks, pushing food inflation up to 7.0% in 2023-24 from 6.7% a year ago.³⁴

Inflation is estimated to decline gradually in 2024 and 2025.³⁵ It is expected to decline to 5.4 per cent in FY 2023-24 from 6.7 per cent in FY 2022-23 and further down to 4.5% in FY 2025.³⁶ Core inflation is also projected to fall to 4.7 per cent in FY 2023-24 from 6.1 per cent in the previous year and gradually to 4 per cent over the medium term.³⁷

Financial Markets

Banking Sector

The overall health of the banking sector remained robust backed by strong balance sheets, buffers and high rate of monetary transmission.

The effects of monetary policy decisions of 2022-23 continued in 2023- 24 as well. There was a moderation in surplus liquidity in the Indian banking system during the period and the credit growth consistently outpaced deposit growth. There was also an increase in the share of external benchmark-linked loans compared to loans linked to the Marginal Cost of Funds-based Lending Rate (MCLR). The expansion of currency in circulation slowed down. Additionally, deposit growth accelerated, partly due to the reintroduction of ₹ 2000 bank notes into the banking system which were withdrawn from circulation in May 2023. The return of these notes to banks mostly took the form of deposits, boosting the overall deposit base in the banking system.³⁸

Bank credit growth remained robust throughout 2023-24, driven primarily by demand from the retail and services sectors. Scheduled Commercial Banks (SCBs) experienced a credit expansion of 16.3% as of March 22, 2024, compared to a growth of 15% the previous year.³⁹

The asset quality of Indian banks improved, with the Gross Non-Performing Assets (GNPA) ratio declining to its lowest in a decade. The GNPA ratio went to a record low value of 3.2% in 2023. The Net Non-Performing Assets also fell to 0.8%. The capital adequacy ratio of Indian banks remained robust, indicating a sound capital position that can withstand potential stress scenarios.⁴⁰

There was an observable shift in the composition of bank credit with a higher portion attributable to the Services and Retail sectors. Retail loans comprised 42.2% of total gross advances of the banks. The CRAR ratio of SCBs stood at 15.9 per cent in December 2023. The provision coverage ratio increased to 75.3 per cent.⁴¹

³² 'CPI numbers', May 2024, MoSPI

³³ 'Index Numbers of Wholesale Price in India', April 2024, Office of Economic Adviser.

³⁴ Annual report, 2023-24, RBI

³⁵ World Economic Outlook, April 2024, IMF

³⁶ ADB Forecast

³⁷ IMF Consultation

³⁸ Annual report, 2023-24, RBI

³⁹ ibid

⁴⁰ Trends and Progress of Banking in India, 2023, RBI

⁴¹ Financial Stability Report, Dec 2023, RBI



Insurance and Re-Insurance Sector

In India, the life insurance market contributes the most to the overall insurance penetration level. This is observable in the fact that the overall insurance penetration level in FY 2022-23 was 4% wherein, life insurance accounted for 3% of it and general insurance for the remaining 1%. An increase in the overall insurance penetration level in India can be achieved by significantly increasing the accessibility to the informal sector.⁴²

As far as non-life sector is concerned, a positive trend was noticed in the health and motor sectors during this period. In the non-life insurance segment, the YoY growth in gross direct premium (within and outside India) stood at ₹ 2,60,327.82 crore with Health and Motor sectors being the key drivers. Net incurred claims of Non-Life Insurers stood at 82.95%.⁴³

In the Life insurance segment, the total premium during FY 2022-23 increased by 12.98% compared to the FY 2021-22.⁴⁴ of the total premium in the life insurance segment ₹ 3,71,225.82 crore was received from new business. Benefit pay-outs in the life insurance sector during FY 2022-23 was ₹ 4,96,865.13 crore with 10% benefits paid out on death claims.⁴⁵

The overall insurance density in India was USD 92 in FY 2022-23, wherein, Life segment contributed USD 70 and General comprising USD 22 which is only a mild uptick from the USD 91 from FY 2021-22.⁴⁶

India, with an estimated market share of 1.9% of Global market in 2022-23, is on the course to become the sixth largest market in the world by 2032.⁴⁷

Reinsurance premium placed within India formed 17% of the total non-life gross domestic premium booked in 2022-23, this was slightly less than the 22% in the previous year. The premiums booked by General Insurance Company (Global Re-insurance solutions) and Foreign Re-insurance Branches amounted to ₹ 54,678 crores in 2022-23 which is considerably less than the previous year level of ₹ 61,337 crores.⁴⁸

In 2021-22, re-insurance premium placed within India through General Insurance Company (Global Re-insurance solutions) and Foreign Re-insurance Branches formed 62% of the Total reinsurance business of India whereas the re-insurance premium placed with Cross-Border reinsurers only formed 38% of the total business. In 2022-23, however, these percentages have changed to 54% and 46% respectively denoting a considerable rise in the reinsurance placed through cross-border reinsurers.

Capital Markets

There was strong resource mobilisation in Indian capital markets across sectors and instruments. This was instrumental in the rapid recovery that Indian economy underwent.

There were 12 IPOs in the financial sector during the year amounting to ₹ 7,628 crores and 260 in

⁴² Sigma Report, 2023, Swiss Re

⁴³ Handbook of Statistics, 2022-23, IRDAI

⁴⁴ ibid

⁴⁵ ibid

⁴⁶ Handbook of Statistics, 2022-23, IRDAI

⁴⁷ Sigma Report, 2023, Swiss Re

⁴⁸ IRDAI

the non-financial sector amounting to ₹ 60,327 crores⁴⁹. The Offer for Sale (OFS) component comprised ₹ 30,482 crores and Fresh capital raising component comprised ₹ 29,852 crores in the non-financial sector in FY 2023-24.⁵⁰

Mutual funds have displayed remarkable growth in the last decade, the value of total gross mobilization by way of Mutual Funds rose to ₹ 114.48 lakh crores in 2023-24 from the previous value of ₹ 105.07 lakh crores in 2022-23.⁵¹ The contribution by the private sector amounted to ₹ 88.4 lakh crores and that by the public sector amounted to ₹ 26.06 lakh crores. In the last decade, the AUM of Mutual Fund industry grew to a value of ₹ 39.4 lakh crores as on March 2023 and reported a CAGR of 19% for the decade 2013-2023.⁵² This reflects increased investor confidence and a strong regulatory framework.

Total number of public and rights issues (Equity + Debt) increased to 385 amounting to ₹ 1.02 lakh crores in 2023-24 from previous value of 272 amounting to ₹ 75,036 crores in 2022-23. There was a total of 17 issues amounting to the volume of ₹ 39,024 crores mobilized by REITs & InvITs in the Non-Financial Sector in the year 2023-24.⁵³

Mutual Funds comprised 7.8% share in turnover of Cash segment of NSE in 2023-24 which is slightly below the 2022-23 share of 8%, similarly FPIs contributed 14.4 % in 2023-24 as opposed to 14.5% in 2022-23.⁵⁴

Funds Industry

The Indian asset management sector has grown substantially, becoming a popular choice for wealth creation, on account of increased financial awareness, regulatory strength, and FinTech advancements. There has been a rise in systematic and passive investments, as well as ESG-focused investing, contributing to the landscape of Mutual Fund Industry. AIFs have also expanded, benefiting from India's economic growth and a wealthier investor demographic. REITs and InvITs are new funding avenues that could significantly boost India's economic growth.

The FY 2023-24 turned out to be one of the best periods for the Indian mutual fund industry as the AUM grew by nearly ₹ 14 lakh crores to a record ₹ 53.40 lakh crores as of March 2024 compared with ₹ 39.42 lakh crores as of March 2023.⁵⁵ This growth has been mainly driven by growing participation of individual investors, buoyant equity markets and evolving investment strategies. Equity was the primary asset class with mutual funds allocating 22.45 trillion Indian rupees, followed by debt with nearly 17 trillion Indian rupees deployed.⁵⁶

India's AIF industry reported a robust annual growth of 30%, with AUM increasing to ₹ 8.34 lakh crores from ₹ 6.41 lakh crores in the previous year. Category II funds accounted for the largest share with ₹ 6.94 lakh crores, marking a 34% increase from last year. The total AUM has nearly tripled over the past five years, reaching approximately USD 101 Bn in FY 2023.

⁴⁹ Current Statistics- Bulletin (Annexure Tables), April 2024, SEBI

⁵⁰ ibid

⁵¹ Monthly Bulletin, May 2024, SEBI

⁵² Annual Report, 2022-23, SEBI

⁵³ ibid

⁵⁴ ibid

⁵⁵ Annual Report, Feb 2024, AMFI

⁵⁶ Monthly Bulletin, May 2024, SEBI



Bullion

India is one of the top consumers of precious metals in the world. Gold and Silver are an important component of total bullion demand in India. Jewellery is one of the most popular forms of gold and silver consumption. However, there are other forms of gold consumption that contribute to the demand for gold in India as well, for instance, India is a major consumer of Gold Potassium Cyanide which is used for electroplating in industries and making gold-plated jewellery and decorative items like gold thread.⁵⁷

The demand for gold turned out to be 95 tonnes in first quarter of 2024, which is a 4% rise from the level reported in the previous year. The level of gold bar and coin investment also registered a growth of 19% (YoY), rising from 34.4 tonnes in first quarter of 2023 to 41.1 tonnes in the first quarter of 2024.⁵⁸ Gold worth USD 45.5 Bn was imported during 2023-24, increasing by 30.1 per cent compared to the last year.⁵⁹

Fiscal Developments

India's fiscal policy is geared towards ramping up spending on development and welfare initiatives, while also prioritizing investments in projects that bolster the economy's productive capacity. This commitment is complemented by a dedication to maintaining fiscal prudence, ensuring that public finances are managed responsibly and sustainably.

The Fiscal Deficit in FY 2023-24 is estimated⁶⁰ at 5.8 % of GDP which is lower than the BE of FY 2023-24. The Revenue Deficit is expected to be lower, at 2.8 per cent of GDP in RE 2023-24 as compared to 2.9 per cent in BE 2023-24. The Fiscal Deficit in 2024-25 is estimated⁶¹ to be 5.1 per cent of GDP, as against the 5.8 per cent of GDP in 2023-24. In absolute terms, it means a deficit of ₹ 16.85 lakh crores in 2024-25 which is lower than the Fiscal Deficit of ₹ 17.35 lakh crores in 2023-24.⁶²

The Budget Speech for FY 2021-22 highlighted the Government's approach to follow a broad path of fiscal consolidation so as to attain a level of Fiscal Deficit lower than 4.5 per cent of GDP by FY 2025-26.

External Sector

Although the supply shocks caused a global export slump, India recorded a high monthly merchandise export value of USD 41.68 Bn in March 2024 due to services exports which remained stable during this period. The total export value (merchandise and services) is estimated to reach USD 776.68 Bn in FY 2023-24 against 776.40 Bn recorded in FY 2022-23.⁶³

A significant contributor to this growth in the FY 2023-24 were Electronic Goods, Drugs and Pharmaceuticals and Engineering goods. The Electronic goods exports surged by 23.64% to USD 29.12 Bn, while drugs and pharmaceuticals exports grew by 9.67% to USD 27.85 Bn, and engineering goods exports saw a modest rise of 2.13% to USD 109.32 Bn, during the FY 2023-24,

⁵⁷ Gold Demand Trends, 2024, World Gold Council

⁵⁸ Gold Demand Trends (Executive Summary), 2024, World Gold Council

⁵⁹ Annual report, 2023-24, RBI

⁶⁰ RE released by MoF under the Statements of Fiscal policy as required under the FRBM Act, 2003

⁶¹ Statements of Fiscal Policy, February 2024, MoF (Budget Division)

⁶² ibid

⁶³ Press Release, Ministry of Commerce, March 2024

compared to the FY 2022-23 values. The non-petroleum and non-gems & jewellery sector experienced a modest uptick of 1.45%, escalating from USD 315.64 Bn in FY 2022-23 to USD 320.21 Bn in fiscal year 2023-24.⁶⁴

The export value of services was USD 325.55 Bn in FY 2022-23 and is expected to rise to USD 339.62 Bn in 2023-24. The overall trade deficit is anticipated to narrow significantly by 35.77%, declining from USD 121.62 Bn in FY 2022-23 to USD 78.12 Bn in FY 2023-24. This improvement is reflected in the merchandise trade deficit, which decreased by 9.33%, standing at USD 240.17 Bn in the current fiscal year compared to USD 264.90 Bn in fiscal year 2022-23.⁶⁵

Overall, the Indian economy hurdled over the headwinds that emerged throughout the year, bolstered by the robust capital formation and manufacturing activity, further enhanced by a strong banking system and a gradual but controlled fall in inflation. Although the policy makers cannot put their guard down against the ill-effects from the multiple crises faced yet, the economy is expected to grow rapidly in the future.

⁶⁴ ibid

⁶⁵ ibid



Hon'ble Prime Minister of India inaugurating the InInfinity Forum 2.0



Hon'ble Union Minister of Finance and Corporate Affairs
Smt. Nirmala Sitharaman visit to IFSCA Head Office

SECTION-C



BANKING //

Banking sector is one of the most important pillars of an international financial centre both as a financial intermediary and as a provider of key services to other financial institutions. The IFSCA Banking regulations notified in November 2020 and directions / guidelines issued thereunder were aimed at enabling and facilitating various banking activities generally carried out by internationally active banks in international financial centres across the globe while ensuring a smooth transition from the RBI guidelines that were applicable prior to the IFSCA Banking Regulations.

With a view to further enhancing 'ease of doing banking business' in GIFT IFSC, the Authority issued the IFSCA Banking Handbook which acts as a compendium of all the detailed directions of the Authority to the IBUs operating in GIFT IFSC.

The vibrant banking ecosystem in GIFT IFSC today comprises 11 foreign and 16 domestic banks set up as branches of the parent bank called IFSC Banking Units (IBUs). As of March 2024, the total Asset size of IBUs crossed USD 60 Bn and the cumulative value of transactions undertaken by IBUs crossed USD 795 Bn. Credit exposure stood at USD 34.92 Bn as on March 2024, covering countries like US, UK, Singapore, UAE etc. apart from India.

IFSCA Banking Regulations were amended in June 2022, to allow Global Administrative Office (GAO) to be setup in IFSC. Further, recent amendments carried out in July, 2023 to the regulations now permit Indian and Foreign banks to set up subsidiaries (to be called IFSC Banking Companies or IBCs).

Policy/ Regulatory Developments

This section gives a picture of the major measures taken by the Authority towards the regulation of banking and related services and the development of banking ecosystem in IFSC during FY 2023-24.

IFSCA (Banking) (Amendment) Regulations, 2023

- (i) Prior to the notification of these regulations, Banks were only permitted to set up operations in IFSC in the form of a branch termed as IFSC Banking Units (IBUs). The Regulations have been amended to permit banks to set up IFSC Banking Companies (IBCs) in the form of a subsidiary.⁶⁶
- (ii) A Bank is permitted be set up⁶⁷ an IBU or IBC in IFSC, subject to approval of the Authority. A Bank who has already set up an IBU in an IFSC, may be permitted to convert the same into an IBC, with the prior approval of the Authority, subject to such conditions as may be specified by the Authority.

⁶⁶ Company that satisfies the definition u/s 2(87) of the Companies Act, 2013.

⁶⁷ Earlier Banks were only permitted to set up a banking unit in the form of a branch as IBU

- (iii) A Bank planning to set up an IBC is required to satisfy the following conditions for grant of licence by the Authority:
- The Parent Bank shall provide necessary capital for the IBC, subject to a minimum of USD 50 Mn or such other level of capital that may be specified by the Authority
 - Such capital shall be calculated and shall be maintained as specified by the Authority.
 - The Parent Bank shall obtain a No Objection Letter from its Home Regulator regarding setting up of IBC of the parent bank.
 - Any other condition that the Authority may specify

- (iv) In line with DEA notification on specification of foreign currencies u/s 20 of the IFSCA Act, 2019 (dated July 3, 2023), list of specified foreign currencies were added in the first schedule of the IFSCA (Banking) Regulations, 2021 (as amended). These are as under:

SPECIFIED FOREIGN CURRENCIES

- US Dollar (USD)
- Euro (EUR)
- Japanese Yen (JPY)
- UK Pound Sterling (GBP)
- Canadian Dollar (CAD)
- Australian Dollar (AUD)
- Swiss Franc (CHF)
- Hong Kong Dollar (HKD)
- Singapore Dollar (SGD)
- UAE Dirham (AED)
- Russian Rouble (RUB)

- (v) Banking units (BUs) were earlier permitted to undertake permissible activities (as specified in ACBU Module, GEN Directions, IFSCA banking Handbook) in freely convertible foreign currency. Under the amended regulations, BUs can undertake permissible activities in the specified currencies and with such persons, whether resident or otherwise, as may be specified by the Authority. Provided that a Banking Unit may be permitted to conduct such business in INR with such persons, whether resident or otherwise, as may be specified by the Authority, subject to settlement of the financial transaction in relation to such business in the specified foreign currencies.

- (vi) A Foreign Bank, not having its presence in India, wishing to set up a Banking Unit in an IFSC, shall comply with such additional requirements as may be specified by the Authority. The Authority has come out with a framework/SOP for processing the application of foreign banks (not having presence in India), in compliance with provision of extant statutes.
- (vii) The activity of providing “Referral services⁶⁸” is now included as one of the permitted activities under these amended regulations.
- (viii) Under the earlier Regulations it was prescribed that Deposit Insurance shall not be applicable for deposits opened by banking units. Under the amended regulations, it is prescribed that deposits of a Banking Unit may be insured subject to applicability of and to the extent provided under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 and any rules or regulations made thereunder.

⁶⁸ Means an activity in which a BU, pursuant to an arrangement with a financial product or financial service provider, refers its clients or the clients of its Parent Bank as potential customers (or "leads"), to such financial product or financial service provider for providing them the financial product(s) or financial service(s)



IFSCA Banking Handbook

IFSCA Banking Handbook Gen Directions – Version 4.0

In case of any change in the material outsourcing arrangement, IBUs have been mandated to inform the Authority within 7 days.

The IFSCA Banking Handbook COB Direction- Version 5.0

- (i) Definition of specified currencies was added in line with the Department of Economic Affairs (DEA), MoF notification dated July 3, 2023, on specification of foreign currencies. List of Specified currencies include 11 currencies.
- (ii) Under Permissible activities, IBUs can undertake following additional activities/services:
 - a. Providing services⁶⁹ to Designated Entities⁷⁰ without Risk Participation.
 - b. Act as a system participant and/or a system provider for an authorised payment system.
 - c. Offering payment services as defined in the regulation on Payment services issued by the Authority.
 - d. Issuing ODIs on securities as listed u/s 2(h)(i) of the Securities Contract (Regulation) Act, 1956 (as amended).

The IFSCA Banking Handbook PRU Direction- Version 4.0

- i. Clarification was issued to IBUs about requirement of Statutory Audit under applicable laws.
- ii. Guidance note for IBUs of foreign banks was included regarding the provisions of section 29 of the Banking Regulation Act, 1949 which, inter alia, permits a banking company incorporated outside India, in respect of all business transacted through its branches in India, to prepare a balance-sheet and profit and loss account as on the last working day of that year or the period, as the case may be, in the forms set out in the third schedule of the Act.

IFSCA (Payment Services) Regulations, 2024

Section 3(1) (e) (xi) of the IFSCA Act, 2019 lists “selling, providing, or issuing stored value or payment instruments or providing payment services” as one of the financial services that financial institutions in IFSC may provide and Section 12 (1) of the IFSCA Act, 2019 empowers the Authority to develop and regulate the financial products, financial services and financial institutions in the IFSC.

Due to the demand from various participants in the financial ecosystem and users of the financial services (money transfer service providers, NRIs, foreign investors, payment application providers etc.) and the focus of new age startups on the smoothening and easing the payments and

⁶⁹ Services include managing the risk of transactions booked by the designated entities and providing support to global sales/ trading/ structuring teams of the designated entity

⁷⁰ Designated entities are group entities of a parent bank of an IBU

payments related transactions especially in the area of cross-border payments between India and rest of world, it was felt essential to prescribe regulations for orderly growth of the payment services ecosystem in IFSC.

Further, many FinTech entities/start-ups, who have been admitted in the IFSCA FinTech Sandbox for testing their use-case of their offerings are in the payments domain. Once they exit the Sandbox, there would be a requirement of an enabling regulation to authorise and regulate their operations.

The IFSCA (Payment Services) Regulations, 2024 adopts a principle-based approach and lays down the authorisation, governance and risk management norms and requirements for payment service providers. The salient features of the regulations are:

- i. The term 'payment services' has been defined and the payment services allowed under the regulations have been specified which are-
 - a. Account issuance service
 - b. E-money issuance service
 - c. Escrow service
 - d. Cross border money transfer service
 - e. Merchant acquisition service
- ii. The activities which are kept outside the definition of payment services have also been specified under the regulations.
- iii. The eligibility and requirements relating to authorisation have been specified in the regulations.
- iv. Governance arrangements which are to be adopted by the payment service providers have been laid down in the regulations.
- v. The regulations also provide a framework for risk management of third-party service relationships which payment service providers may enter into.
- vi. The duties of the payment service providers with respect to various stakeholders have been laid down in the regulations.
- vii. The regulations lay down the customer complaint handling procedures for payment service providers including online reconciliation services.

Circulars

Opening Special Non-Resident Rupee (SNRR) account with Authorized Dealer Bank in India (August 30, 2023)

As per earlier provisions, IBUs were not allowed to open SNRR account with AD Bank in India of which it is a branch. These provisions have been modified and accordingly, IBUs can now open an INR account in the form of SNRR Account, with an AD bank in India to defray their administrative expenses in compliance with directions of RBI in this regard.



Allocation of Indian Financial System Code (IFSC code) to IBUs (November 28, 2023)

This circular was issued to enable IBUs to apply for and obtain IFSC codes. This would help them undertake inward remittances from overseas jurisdiction through cross border payment systems that require IFSC Code of the destination branch of the bank in India as a compulsory requirement.

Avoiding rerouting of transactions to IBUs that have been wrongly credited in the parent AD bank's Nostro account – Reporting in R-Return (January 22, 2024)

IFSCA issued directions to IBUs to adhere to the specific reporting procedures (Reporting in R Return) in case of transactions to IBUs from overseas bank that have been wrongly credited in the parent AD bank's Nostro account. This would ensure that flow of remittance from overseas bank to IBUs takes place without delay and so as to avoid the need of rerouting funds that have been wrongly credited to the Nostro account of the Parent bank.

Improving processing timelines of cross border payments (January 8, 2024)

IBUs have been advised following measures for improving the processing timelines of cross border payments:

- (i) Upgrading their existing messaging solutions so as to have continuous visibility of the status of a transaction by use of services like SWIFT GPI etc.
- (ii) IBUs using SWIFT as messaging service may consider using MT 910 (Confirmation of credit message) instead of MT 940 (Customer Statement message) for crediting the accounts of its constituents after due internal approval of such change of process.
- (iii) To undertake a study and document their existing method of processing cross-border transactions and how the speed of processing such transactions may be further improved.

Transaction/Processes/Operations/Trends

As on March 31, 2024, the Banking ecosystem at IFSC has 23 IBUs operating and 4 IBUs have been given licenses and are expected to commence operations during the FY 2024-25.

Table 1: No. of IBUs

Particulars	FY 2022-23	FY 2023-24
No. of operational IBUs at IFSC	20	23

Table 2: Total Assets in IBUs in USD Mn

Particulars	Outstanding as on Mar 31, 2023	Outstanding as on Mar 31, 2024
Total Assets at IFSC	38,286.41	60,248.15

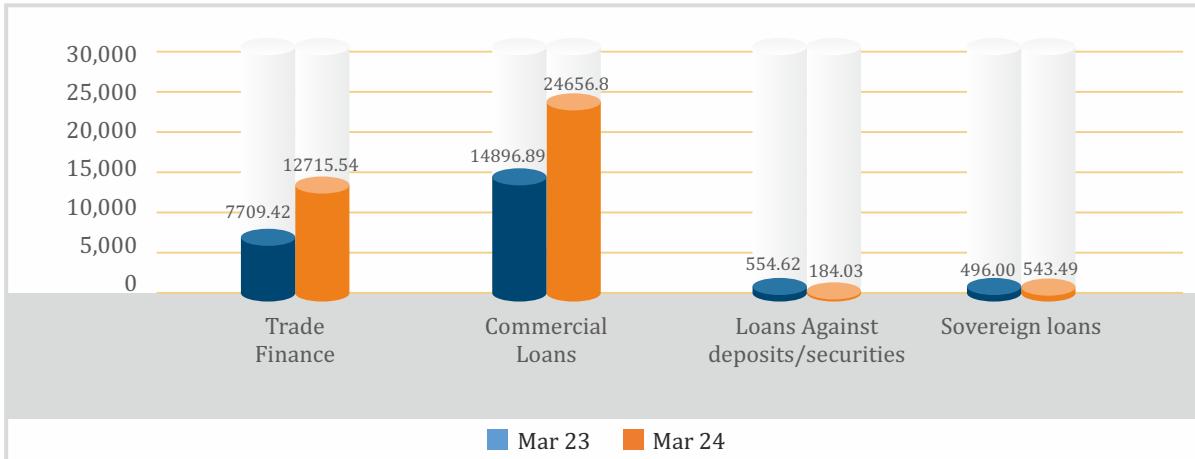
Table 3: No. of employees in all IBUs

Particulars	FY 2022-23	FY 2023-24
No. of employees at all IBUs located in IFSC	277	343

Sources of fund raising for IBUs have been interbank and interbranch borrowings, medium term notes, borrowings from multilateral institutions, retail deposits, corporate deposits etc. Activities on asset deployment have been largely concentrated towards trade finance and commercial loans.

Customer Credit (Net) of the IFSC Banking ecosystem as on March 31, 2024, stands at USD 39.11 Bn and total asset size of IBUs is USD 60.24 Bn.

Figure 1: Outstanding of Major Credit Products (USD Mn)



Total customer credit outstanding has increased by 63.36% from USD 23.94 Bn (as on 31.03.2023) to USD 39.11 Bn (as on 31.03.2024). Growth in commercial loans and trade finance disbursed by the IBUs has been the biggest contributor for this increase in the customer credit outstanding for the IFSC.

Figure 2: Turnover (Volume of Business) in USD Mn

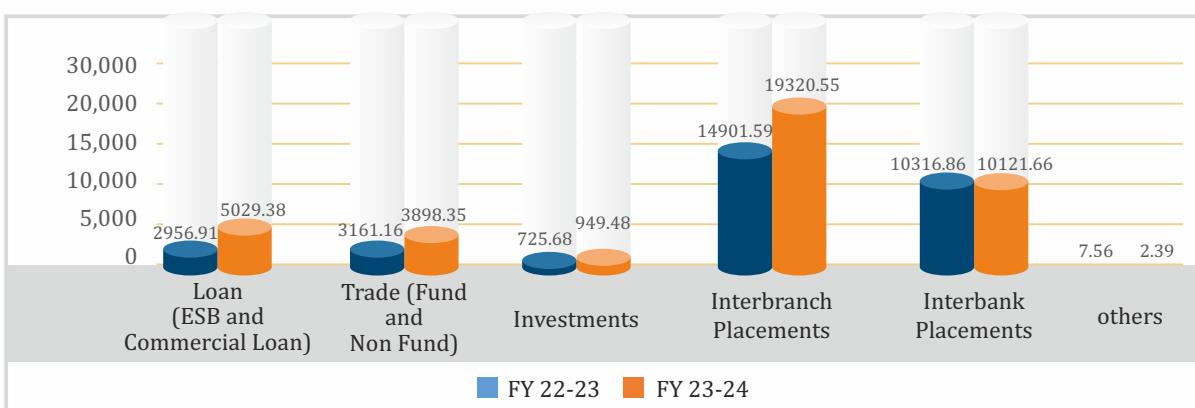
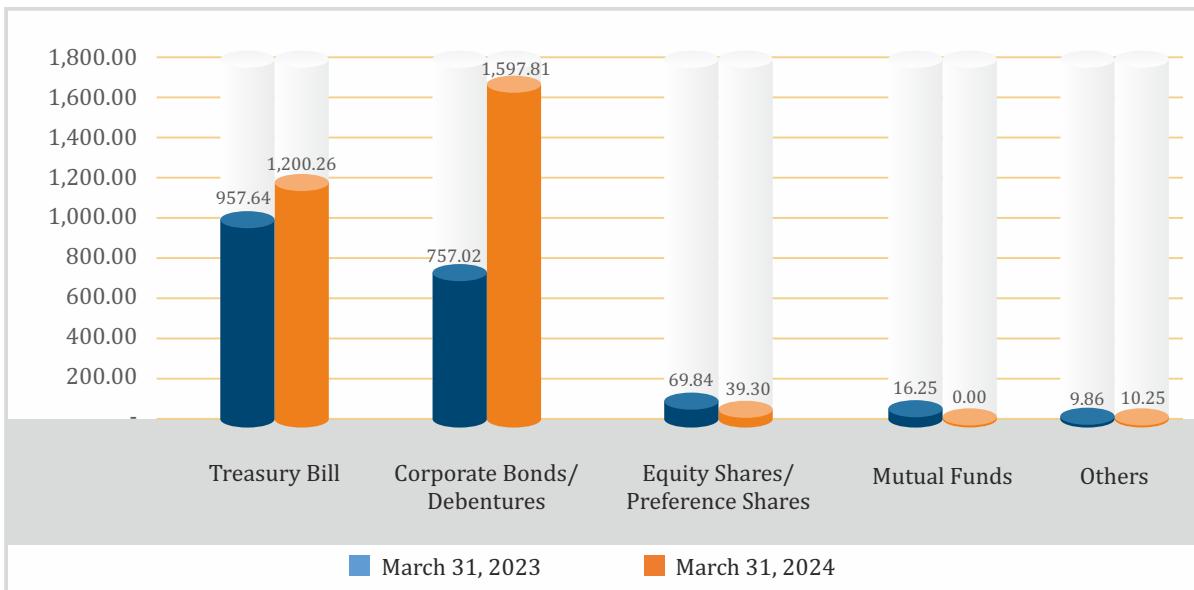




Figure 3: Investment Profile in USD Mn



IBUs were maintaining investment in Treasury bills for compliance with the prudential requirement of LCR maintenance. However, as per the guidelines, IBUs have been permitted to maintain LCR at their parent bank. Overall, there is a notable shift in investment preferences from Treasury Bills to Corporate Bonds by the IBUs over the one-year period.

Table 4: Derivative Outstanding (USD Mn)

Derivative Outstanding (USD Mn)	Outstanding as on Mar 31, 2023	Outstanding as on Mar 31, 2024
Non-Deliverable Derivative Contracts (FCY-INR) (including NDF, Fx-Swaps and options)	14092.67	26159.99
FCY-FCY forwards	3082.44	4145.16
FCY-FCY currency swap	957.56	966.35
FCY-FCY currency option	606.70	2515.61
INR Interest rate swap (IRS) (including overnight indexed swaps (OIS))	25343.29	28045.45
FCY Interest rate swap (IRS) (including overnight indexed swaps (OIS))	66924.23	101681.32
Others	1.62	663.34
Total	111008.51	164177.22

The outstanding derivative contracts at IFSC have increased by 47.90%. A few IBUs have commenced their market operations during the financial year whereas a few have increased their derivative trading portfolio based on their business strategies resulting in the overall increase in the derivative contracts outstanding at IBUs as on March 31, 2024.

Figure 4 : Major Country exposure of IBUs



IBUs have highest exposure to entities from India (74.63%) followed by USA (4.76%) and Mauritius (3.72%). Top five countries constitute 89.75% of the exposure of the IBUs.

Working Group/ Committee

A working group to deliberate on uniform working hours and holiday calendar for IBUs was constituted with members from IFSCA, Indian Banks Association (IBA), IBUs of Indian and Foreign Banks. The WG submitted its report to the Authority on January 22, 2024. Its recommendations are as under:

- (i) IBUs to implement a five-workday week.
- (ii) IBUs to implement uniform working hours of 9:45 a.m. to 5:30 p.m. for undertaking common set of activities being offered to market participants/FIs. For undertaking specialised services, flexibility may be given to IBUs to carve out a separate work shift arrangement, as per business requirement of their clients.
- (iii) IBUs to adopt the Mumbai holiday calendar.
- (iv) IFSCA to specify regulatory guidelines along with timeline to all IBUs for putting in place the appropriate system that is automated (24*7), through internet banking services for offering certain basic services to their customers. An STP to Swift messaging system also would help within certain limits through internet banking, as it is prevalent in India.



Advocacy and Outreach

International Conference on 'Role of IFSC in Export Credit & Export Credit Insurance'

The Ministry of Commerce and Industry, Government of India and IFSCA jointly organised an International Conference on the 'Role of IFSC in Export Credit and Export Credit Insurance' on December 19, 2023, at GIFT City, Gandhinagar, Gujarat. The conference was addressed by Shri. K Rajaraman, Chairman, IFSCA, Shri. Vivek Joshi, Secretary, Department of Financial Services, Ministry of Finance, Government of India and Shri. Paresh Kantilal Mehta, Regional Chairman, Federation of Indian Exporter Organisation (WR).



Image 1 : International Conference on role of IFSC in export credit and export credit insurance

The conference served as a forum for deliberating and cross fertilisation of ideas on the dynamic shifts within Export Credit and Export Credit Insurance, highlighting the role of IFSC in fostering growth within this sector. At the conference, experts actively participated in dynamic roundtable discussions encompassing the following subjects:

- (i) Demand for export credit and export credit insurance
- (ii) Trade finance funding gap: Global and Indian perspective
- (iii) Innovation in export credit and export credit insurance
- (iv) Role of IFSC in bridging the trade finance funding gap
- (v) Closing the trade finance gap: Policy options



Image 2 : Panelist for the session on "Closing the trade finance gap: Policy option" (From left to right: Shri M.P Tangirala, Additional Secy., DFS, MoF; Shri Vipul Bansal, Joint Secy., DoC, MoCI; Shri Rajneesh Karnatak, MD & CEO, Bank of India; Shri Tarun Sharma, DMD, EXIM Bank of India; Shri Supriyo Bhattacharjee, CGM, IFSCA)

Policies and programmes for the following year

Issue of IFSCA Banking Handbook for the IFSC banking Companies

The Authority has amended the IFSCA (Banking) Regulations permitting Banks to set up IFSC Banking Companies (IBCs) in the form of subsidiary. Enabling framework in the form of compendium of directions under the IFSCA Banking Handbook shall be issued by the Authority.

Issue of Framework under the Payment and Settlement Regulations

The Authority has issued the draft Payment and Settlement Systems Regulations for public comments. Once the same is notified, IFSCA shall create the necessary framework thereunder for authorisation of payment and settlement systems in IFSC.

Foreign Currency Settlement System

A Foreign Currency Settlement System is being setup in GIFT IFSC which would settle foreign currency transactions (starting with USD) undertaken among IFSC Banking Units (IBUs) located in GIFT IFSC.



FINANCE COMPANIES //

Finance Companies/Units (FCs/FUs) play a crucial role in providing non-banking financial intermediation services in the IFSC. FCs/FUs are allowed to undertake activities similar to those enabled for the IBUs in IFSC except raising public deposits, thus complementing the role of the IBUs in terms of providing financial services.

The FCs/FUs are governed under the IFSCA (Finance Company) Regulations, 2021 with an objective to provide a risk-focused competitive environment for financial institutions, ensuring fairness, transparency and efficiency while being aligned to international standards. The core activities include lending, investments, trading in Derivatives, acting as a Global/Regional Corporate Treasury Centre (GRCTC) and undertaking Factoring/ Forfaiting activities. Regulations have also enabled specific activities in the IFSC which includes undertaking leasing of aircrafts, ships, and other equipment notified by IFSCA, setting up of Global and Regional Treasury Centres and International Trade Finance Platforms (ITFS Platforms).

As of March 2024, the IFSCA has granted registration of 37 entities to set up as Financial Companies under the FC Regulations. Among these, 4 entities have been registered to engage in core activities like lending and factoring. With regards to FCs undertaking specific activities, 20 Aircraft Lessors have leased out a total of 125 aircraft assets from GIFT IFSC, 4 Ship Lessors and 3 ITFS entities have started commercial operations.

Policy/ Regulatory Developments

Finance Company (core activities)

- (i) Finance companies and Units were enabled as a 'Credit Institution' in January 2024 (by exercising powers under sec 33 A of the Credit Information Companies (Regulation) Act, 2005) for undertaking permissible activities in IFSC. This is progressive step towards enabling acceptance/sharing data between CICs and IFSC units. The inclusion would permit Finance Companies/ Unit to become member of Credit Information Companies (CICs), enabling them to exchange information on Indian borrowers with the CICs, thereby facilitating their due diligence processes.
- (ii) A clarificatory circular on the computation of ESG lending target was followed by a detailed FAQ.

Aircraft Leasing

Post modification in the SEZ Rules in February, 2023 by Dept of Commerce, Ministry of Commerce and Industry for sharing of office space and manpower, the Authority issued a circular in April 2023, to bring into effect the same by specifying the eligible entities and process of application under it. The scope of Aircraft leasing framework was widened to include leasing of "Aviation

training simulation devices". Further, the provision of Asset Management Support Services (AMSS) to the group entities of an IFSC registered lessor was also enabled without the need for a separate registration under the Ancillary services framework. This was introduced as a measure of ease of doing business for the aircraft leasing entities in IFSC.

Transaction/Processes/Operations/Trends

The IFSC witnessed growing interest from various entities seeking to establish themselves as Finance Company in IFSC, for undertaking various activities such as lending, factoring and forfaiting, treasury centre activities, leasing of aircrafts and ships among others.

Some of the major players registered as finance companies for undertaking various activities include the likes of IOC Global Capital management IFSC Ltd. (subsidiary of Indian Oil Corporation), OVL Overseas IFSC Ltd. (subsidiary of ONGC Videsh Ltd), Exim Finservice IFSC Pvt. Ltd. (subsidiary of EXIM Bank India), AI Fleet Services IFSC Ltd. (subsidiary of Air India) and Lotis IFSC Pvt. Ltd (subsidiary of Ambuja Cements Ltd. – part of Adani Group). A few of the ship leasing entities registered include Jal Kumud Shipping IFSC Pvt Ltd., Athena Shipping IFSC Pvt. Ltd., Saigal Seatrade Services (IFSC) LLP and Ripley Pioneer India IFSC Pvt. Ltd.

Table 5: Registered Finance Companies as on March 31, 2024

Type of activity undertaken by the Finance Company	FC (Core)	Aircraft Leasing	Ship Leasing	FC (non-core)-holding cos and ITFS entities	Total
CoR Granted	4	20	8	5	37

Table 6 : Aircraft Operating Lease (AOL) Entities

S. No.	Type of Aviation Assets	No. of assets leased as on 31st March 2024
1	Aircrafts	20
2	Engines	49
3	Ground Support Equipment	56
	Total	125

Table 7 : Ship leasing Entities

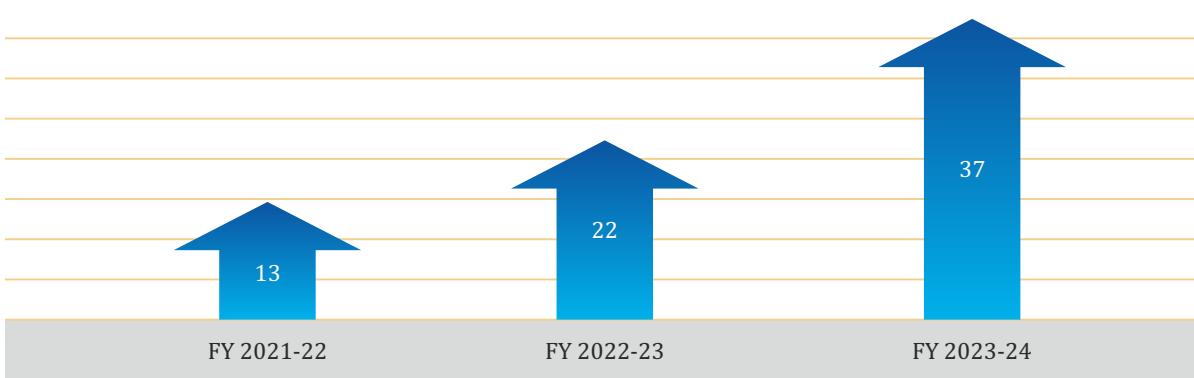
S. No.	Type of Assets	No. of asset leased as on 31st March 2024
1	Ships	4

Table 8 : ITFS Platforms

Number of Transactions Financed as on 31 st March 2024	281
Value of Transactions Financed as on 31 st March 2024	USD 12.91 Mn



Figure 5 : Number of Finance Companies in IFSC



Circulars

- (I) Guidance framework on Sustainable and Sustainability linked lending by financial institutions – Clarification (April 20, 2023)
- (ii) Utilisation of office space or manpower or both by entities undertaking aircraft leasing activity in the International Financial Services Centre ("IFSC") (April 18, 2023)
- (iii) Amendment to the IFSCA circular titled 'Framework for Aircraft Lease' - Enabling lease of Aviation training simulation devices (April 26, 2023)

Advocacy and Outreach

- (i) A round table conference titled 'Developmental aspects of the ITFS platforms in IFSC' was held by the division on December 12, 2023, for identifying further improvements to the ITFS framework. The conference was attended by the ITFS entities in IFSC, IBUs, strategic heads from the Head Offices of IBUs, general insurance entities registered with IFSC and prospective insurance entities in IFSC. The view of the participants was also sought on the amendments required in the ITFS Framework with the objective of bringing in operational efficiency.
- (ii) As a matter of bringing ease of doing business and to ensure that the regulations framed are best in class regular interactions are held across industry either in-house or through participation in industry events. IFSCA officials attended the Airline Economics event held in Ireland and in Delhi and interacted with global lessors and financiers. These events helped gain insight into the industry functioning and identifying policy enhancements to the IFSC environment in order that it becomes competitive with the global financial centres.
- (iii) A closed door round table was held with global corporates in Singapore wherein feedback was sought on the Global Regional Treasury Centre Framework. Insights were provided into the aspects that are looked in to for enabling the corporates to move their treasury to IFSC and comparison was drawn with the best practices in other jurisdictions. This enabled in undertaking the periodic review of the framework thereby bringing the IFSC at par with other preferred jurisdictions.
- (iv) The Global Maritime Summit held in Mumbai was attended by IFSCA representatives who participated in a roundtable discussion on "Opportunities for Ship Leasing in GIFT IFSC".



Image 3 : Global Maritime Summit Panel with Hon'ble Finance Minister

Aircraft Leasing

Dublin visit

A delegation from IFSCA participated in the Airline Economics event from January 29 – February 1, 2024, at Dublin, Ireland. Chief General Manager, IFSCA and General Manager, IFSCA held 36 meetings with various participants across the spectrum in aviation industry to appraise them about the regulatory landscape of IFSC, opportunities in the aircraft leasing at GIFT IFSC and the progress made so far in this sphere. The delegation explained the competitive advantage of GIFT IFSC and the potential opportunities stemming from the recent orders placed by the Indian airlines and how lessors can benefit from the existing mechanism in place for aircraft leasing at GIFT IFSC.



Image 4: IFSCA meeting with Ambassador of India to Ireland



Airline Economics Event – New Delhi

A delegation from IFSCA participated in the second edition of India specific event organized by the Airline Economics on February 27-28, 2024, at New Delhi. Chief General Manager, IFSCA presented the IFSCA aircraft leasing and tax framework and the holistic approach of IFSCA and Govt. of India with regards to developing GIFT IFSC as a hub for aircraft leasing. The discussions were held on a wide array of topics relating to aircraft leasing and financing at GIFT IFSC. Several bilateral meetings were also organized.

Ship Leasing

Marine Money India Ship Finance Forum

A delegation from the IFSCA participated in the inaugural edition of India specific event organized by the Marine Money on February 20, 2024, at Mumbai. Chairperson, IFSCA delivered a keynote address in which he appraised the participants about the opportunities available for ship leasing and financing at GIFT IFSC. Executive Director, IFSCA participated in the panel discussion to deliberate upon Ship Acquisition, Leasing and Financing at GIFT IFSC.

Policies and programs for the following year

Review of the Finance Company Regulations

According to the IFSCA (Procedure for Making Regulations) Regulations, all regulations issued by the Authority must undergo a review every three years. Consequently, the FC Regulations and relevant circulars will be evaluated and appropriately modified/amended to facilitate the ease of doing business for entities. This review process will also entail making necessary amendments to circulars and frameworks in consultation with the industry.

Enabling Finance Companies in IFSC to undertake investment in the form of Participating Interest

Participating interest (PI) is a type of investment which grants investors a proportional ownership stake in a project, typically within the natural resource exploration sector, such as an oil and gas exploration block, or minerals etc. This type of investment provides stakeholders with a share in the assets/natural resources being explored and subsequently extracted. Facilitating PI may enable entities to engage in strategic investments in natural resource exploration and production, thereby potentially benefiting India's energy security.

Enabling circulars related to 'Ship Leasing in IFSC'

- (i) Issuing clarifications regarding the nature of activities permissible for ship lessors in IFSC. Essentially, it will specify that ship leasing can be conducted by any entities that own ships or hold leasehold rights over ships or ocean vessels.
- (ii) The Ministry of Commerce and Industry vide Gazette Notification dated March 14, 2024, had amended rule 21B of the SEZ Rules 2006, to enable ship leasing unit in IFSC to utilise the office space or manpower or both of another unit in IFSC for the purpose of ship leasing, with the

approval off the Authority. Pursuant to the above notification, the Authority intends to issue guidelines specifying the condition and processes by which an FC/FU undertaking ship leasing in IFSC may avail this facility as issued in case of aircraft leasing entities.

Issuance of Framework for Holding Companies

The framework would provide companies with an avenue to set up holding company in IFSC for their overseas or domestic business expansion. This will enable Indian corporates and global corporates to strategize their investments overseas and investments in India respectively.

Policy enhancements in Aircraft and Shipping sector required to transform IFSC into a Financing Hub

Currently, IFSC has facilitated leasing of aircrafts and ships. However, in order to transform IFSC into an aircraft and ship financing hub, a number of tax and sectoral policy changes are required. Detailed policy papers have been sent to Ministry of Finance, Shipping and Civil Aviation.



CAPITAL MARKETS //

The capital markets ecosystem in GIFT IFSC aims to position India as a global financial hub by providing a robust and efficient infrastructure which includes advanced international stock exchanges, robust clearing and settlement systems and a diverse range of financial products such as equities, debt instruments, and derivatives. Regulated by the International Financial Services Centres Authority (IFSCA), GIFT IFSC offers best-in-class regulatory framework, streamlined processes, and attractive tax incentives to create a conducive environment for global investors and financial entities across the globe.

The capital market ecosystem in GIFT IFSC comprises of two International Stock Exchanges (India INX and NSE IFSC) offering 20+ hours of trading in various product categories including Index Derivatives, Equity Derivatives, Currency Derivatives, and Commodity Derivatives. The monthly turnover on IFSC Exchanges for the month of March 2024 was USD 79 Bn, and the average daily turnover of NIFTY Derivative contracts on NSE IX during the month of March 2024 was USD 3.70 Bn.

GIFT IFSC has also become the preferred destination for Indian issuers looking for raising global debt, including for green, social, sustainable and sustainability linked debt securities. The cumulative debt listings at GIFT IFSC stock exchanges as on March 2024 is USD 56.5 Bn of which USD 12.3 Bn pertains to ESG labelled debt securities. The introduction of lower withholding tax (9%) on the exclusive debt listing at IFSC exchanges in Union budget 2023-24 will further encourage more Indian issuers to raise global debt from GIFT IFSC.

Policy/ Regulatory Developments

Listing of Securities

Direct Listing Scheme

The Hon'ble Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman announced on July 28, 2023, the decision of Government of India to allow direct listing of equity shares of public Indian Companies on the international exchanges in the IFSC. Pursuant to the announcement, the Government of India on January 24, 2024, notified the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2024 and the Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024 ("LEAP Rules") providing the framework for direct listing of equity shares by public Indian companies on the International Exchanges at GIFT IFSC. The Direct Listing Scheme introduced in the FEM (NDI) Rules, 2019 provides an overarching framework for issuing and listing of equity shares of public Indian companies on international exchanges. Prior to this, Indian companies were not allowed to issue or list equity shares abroad. As of now, the framework allows unlisted public Indian companies to list their shares on an international exchange.

This policy initiative offers Indian companies, especially start-ups and companies in the sunrise and technology sectors, an alternative avenue to access global capital beyond the domestic exchanges. This is expected to lead to better valuation of Indian companies in line with global standards of scale and performance, boost foreign investment flows, unlock growth opportunities and broaden the investor base.

Public Indian companies will have the flexibility to access both markets i.e. domestic market for raising capital in INR and the international market at the IFSC for raising capital in foreign currency from the global investors. This initiative will particularly benefit Indian companies going global and having ambitions to look at opportunities for expanding their presence in other markets. It is also expected to provide a boost to the capital market ecosystem at GIFT IFSC by provision of new investment opportunities for investors, diversification of financial products and by enhancing liquidity.

Incentives for foreign investors

For foreign investors, the Direct Listing scheme will allow them to participate in value creation in Indian companies facilitated by the world class and business friendly regulatory regime being offered by the IFSC.

The transactions on the stock exchanges in IFSC are in foreign currency, eliminating the currency risk for the investors. The stock exchanges in IFSC have extended trading hours catering to investors of all significant jurisdictions in the world thereby providing convenience and ease of doing business. Additionally, there are various tax incentives provided under the Income Tax Act, 1961, making GIFT IFSC an attractive destination for global investors.

IFSCA is already having a well-developed capital market ecosystem including stock exchanges, clearing corporations, depository, investing bankers, brokers, IBUs etc. GIFT IFSC is therefore well positioned to act as the gateway for attracting untapped foreign capital into India and integrating India with the global financial system.

Box 1: Major features of the Direct Listing Scheme

Eligibility Criteria for public Indian companies

The eligibility criteria for a public Indian company to list its equity shares on an international exchange in the IFSC has been provided in the Direct Listing Scheme provided under FEM (NDI) Rules, 2019 and the LEAP Rules.

Issue and Listing on International Exchanges:

A public Indian company may issue equity shares or offer equity shares of existing shareholders, subject to prohibited activities, and sectoral caps prescribed in paragraph 2 and 3 of Schedule I of the FEM (NDI) Rules, 2019.

Further, equity shares listed in the IFSC shall be in dematerialized form and rank pari passu with equity shares listed on a recognised stock exchange in India.



Permissible holders

A non-resident person has only been permitted as permissible holder who can purchase or sell equity shares of a public Indian company listed on an international exchange in the IFSC. Further, a permissible holder is permitted to purchase or sell equity shares of an Indian company listed on an international exchange within the limit specified for foreign portfolio investment under the FEM (NDI) Rules, 2019.

Pricing

In case of initial listing of equity shares by a public unlisted Indian company on the International Exchange, the price of issue or transfer of equity shares shall be determined by a book-building process as permitted by the said International Exchange and shall not be less than the fair market value under applicable rules or regulations under the Foreign Exchange Management Act, 1999.

In case of an already listed Indian company, the equity shares shall be issued in the IFSC at a price not less than the price applicable to a corresponding mode of issuance of such equity shares to domestic investors under the applicable laws.

IFSCA (Issuance and Listing of Securities) Regulations, 2021

Pursuant to the notification of Direct Listing Scheme, IFSCA issued a press release inviting for suggestions from public and other stakeholders for reviewing the IFSCA (Issuance and Listing of Securities) Regulations, 2021, mainly with the purpose of promoting ease of doing business and benchmarking the regulatory requirements with best practices in other global markets. As on March 31, 2024, IFSCA is in the process of reviewing the IFSCA (Issuance and Listing of Securities) Regulations, 2021.

Monitoring investments from countries sharing land border with India

IFSCA issued a circular dated February 09, 2024 providing the mechanism to monitor investments from countries sharing land border with India. It provides detailed requirements to monitor participation by such entities at the time of onboarding, primary market issuances, secondary market trading, off-market transfers. It also requires the recognised stock exchanges in IFSC to conduct market surveillance to monitor any trading activity by such identified clients in the secondary market and submit report to IFSCA on monthly basis.

Market Infrastructure Institutions

The stock exchanges, clearing corporations and depositories are classified as Market Infrastructure Institutions (MIIs). These institutions provide the necessary infrastructure for facilitating trading, clearing and settlement of securities. As the nature of the functions performed by the MIIs forms the backbone of the capital market in GIFT IFSC and hence are very critical, they are subject to greater degrees of regulatory oversight.

Stock Exchange

A stock exchange plays the central role in facilitating trading in securities in close coordination

with clearing corporation and depository. It provides a trading platform for facilitating price discovery of the securities available for trading. Additionally, stock exchanges are also entrusted with various regulatory responsibilities for ensuring market integrity and for protecting investor interests.

IFSCA grants recognition to stock exchanges under Regulation 9 of the IFSCA (Market Infrastructure Institutions) Regulations, 2021 (hereinafter referred to as MII Regulations). Currently there are two stock exchanges operating in GIFT IFSC, namely India International Exchange (IFSC) Limited (India INX) and NSE IFSC Limited (NSE IX). India INX is subsidiary of the BSE Limited and NSE IX is the wholly owned subsidiary of National Stock Exchange of India Limited. Both the stock exchanges are operational since 2017 and are being granted annual renewal of recognition under MII Regulations.

Co-location facility offered by the Stock Exchanges

The Co-location facility is offered by the stock exchanges to eligible market participants such as broker dealers and data vendors, whereby their trading or data-vending systems are allowed to be located within or at close proximity to the premises of the stock exchanges. Trading systems of such market participants are connected to the trading platform of the stock exchanges through direct and private network.

The stock exchange while facilitating co-location, are required to ensure that all eligible market participants who avail co-location facility have fair, transparent and equitable access to facilities and data feeds provided by the stock exchange.

The stock exchanges also have to permit direct connectivity between the co-location facility of a recognised stock exchange in IFSC and the co-location facility of other recognized stock exchange in IFSC, India or overseas.

BOX 2: GIFT Connect

The GIFT Connect (formerly NSE IFSC-SGX Connect) is a mutual collaborative effort between the National Stock Exchange of India and the Singapore Exchange. It was launched by the Hon'ble Prime Minister of India on July 29, 2022. With India's economy projected to become the world's third largest, the GIFT Connect presents an innovative pathway for international investors to gain exposure to India capital market.

The GIFT Connect unifies both international and domestic participants, creating a deeper liquidity pool, and an expanded shelf of Nifty products for investors. SGX has set up a subsidiary i.e., SGX India Connect IFSC Private Limited in GIFT IFSC to act as a pass-through entity for orders routed through SGX.

Full-scale operations of GIFT Connect commenced from July 3, 2023, with USD 8.05 Bn open interest in Nifty futures and over USD 1.04 Bn open interest in Nifty Options. Following the transition, all US dollar-denominated Nifty derivatives contracts are being exclusively traded on NSE IX. The average daily turnover of NIFTY derivative contracts on NSE IX in March 2024 was USD 3.70 Bn.



Following NIFTY contracts are available for trading for almost 21 hours in GIFT IFSC which overlaps Asia, Europe, and US trading hours.

- i. Nifty 50 Index Futures and Options
- ii. Bank Nifty Index Futures and Options
- iii. Nifty IT Index Futures and Options
- iv. Nifty Financial Services Index Futures and Options

The GIFT Connect has given a boost to GIFT IFSC as a global hub for international financial products and services. It is a major step forward for India to be a 'price setter' of the financial world.

Clearing Corporation

A clearing corporation is an MII that handles the clearing and settlement of transactions that are executed on the stock exchange. The clearing corporations fulfil the main obligation of ensuring that transactions are settled between counterparties in a prompt and efficient manner.

There are two clearing corporations operational in GIFT IFSC namely, India International Clearing Corporation (IFSC) Limited (India ICC) and NSE IFSC Clearing Corporation Limited (NICCL). India ICC is subsidiary of BSE Limited and NICCL is the wholly owned subsidiary of NSE Clearing Limited. Both the clearing corporations are being granted annual renewal of recognition under MII Regulations.

Depository

A depository is an organisation which holds securities (like shares, debentures, bonds etc.) of investors in electronic form at the request of the investors through a registered depository participant. India International Depository IFSC Limited (IIDI) is the sole depository functional in GIFT IFSC which acts as the record keeper of securities.

Capital Market Intermediaries

The Capital Market Intermediaries (CMIs) are generally client-facing entities which assist issuing company and investors to perform various transactions in the capital market. Activities of CMIs in IFSC are governed under IFSCA (Capital Market Intermediaries) Regulations, 2021. These regulations have specified the regulatory framework for various types of intermediaries such as broker dealers, clearing members, depository participants, investment bankers, investment advisers, custodians, distributors etc.

Broker Dealers

Broker dealers are entities which execute trades on their own account as well as on behalf of their clients on the recognised stock exchanges in IFSC.

Table 9 : Broker dealers in IFSC (as on March 31, 2024)

Stock Exchange	No. of Brokers Dealers
India INX	59
NSE IX	67

Source: India INX and NSE IX

Clearing Members

A clearing member is an intermediary that is responsible for clearing and settlement of all trades executed by a broker dealer.

Table 10 : Clearing members in IFSC (as on March 31, 2024)

Clearing Corporation	No. of Self Clearing Members	No. of Trading Cum Clearing Members	No. of Professional Clearing Members
India ICC	5	9	2
NICCL	7	11	2

Source: India ICC and NICCL

Status of operations at Disaster Recovery (DR) Site of the Broker Dealers and Clearing Members

Broker dealers and clearing members are permitted to set up their DR Sites in India. DR sites ensure that entities run their operations with minimal down time in case their primary location and systems fail due to an unforeseen event. IFSCA clarified that operations carried out by the broker dealers and clearing members, from their respective DR sites (located outside GIFT IFSC and within India) will be considered to have been carried out at GIFT IFSC.

Direct Market Access and Sponsored Access facilities

Broker dealers in IFSC are permitted to offer Direct Market Access (DMA) facility to their clients. DMA facility allows broker dealers to offer their clients direct access to the trading system of the stock exchange, through the broker dealer's trading systems, without any manual intervention by the broker dealer. The broker dealer retains the ability to monitor internally and, if necessary, stop an order prior to it being executed.

Additionally, in order to enhance market participation and broaden the investor base, broker dealers have been permitted to offer the facility of Sponsored Access (SA) to its clients. SA is a form of DMA in which the broker dealer permits its client to transmit orders directly to the trading system of stock exchange without routing it through the broker dealer's trading system. Such an arrangement facilitates low latency trading and assists in preserving the confidentiality of sophisticated, proprietary trading strategies of the clients.

The stock exchanges are required to identify and distinguish DMA/SA orders and trades from other orders and trades. The broker dealers are fully responsible and liable for all orders emanating through their DMA/SA systems of their clients.



Settlement of Client's Funds lying with Broker Dealer

Broker dealers in IFSC were required to transfer the unutilized funds back into client's account on monthly/quarterly basis (as per choice of client). This requirement of settlement of funds by the broker dealers involves cost of remittance of funds across the jurisdictions. For the ease of doing business in IFSC, the requirement of monthly/quarterly settlement has been done away with and settlement of funds is to be done as per the agreement between the client and broker dealer. The stock exchanges are required to put in place a mechanism for monitoring client's funds lying with the broker dealers to avoid misutilization of funds.

Depository Participants

A depository participant (DP) is a participant of a recognized depository and acts as an intermediary between the depository and the investor. As on March 31, 2024, there are 10 DPs registered with the Authority out of which 2 entities were granted registration during 2023-24.

Custodians

A custodian is a specialized financial institution that carries on the business of providing custodial services in relation to financial products which include safekeeping of such financial products and providing services incidental thereto. As on March 31, 2024, there are five custodians registered with the Authority.

Investment Advisers

Investment advisers play a pivotal role in IFSCs by providing valuable guidance, managing risks and helping investors achieve their financial objectives in a complex and dynamic financial landscape. As on March 31, 2024, there are four investment advisers registered with the Authority.

Investment Bankers

Investment bankers play a vital role in facilitating capital formation, advising on strategic transactions, managing risk exposure and facilitating cross-border transactions, and their expertise and services are essential for the efficient functioning of global financial markets. The role of investment bankers is set to assume greater significance in the IFSC once the Direct Listing Scheme becomes operational.

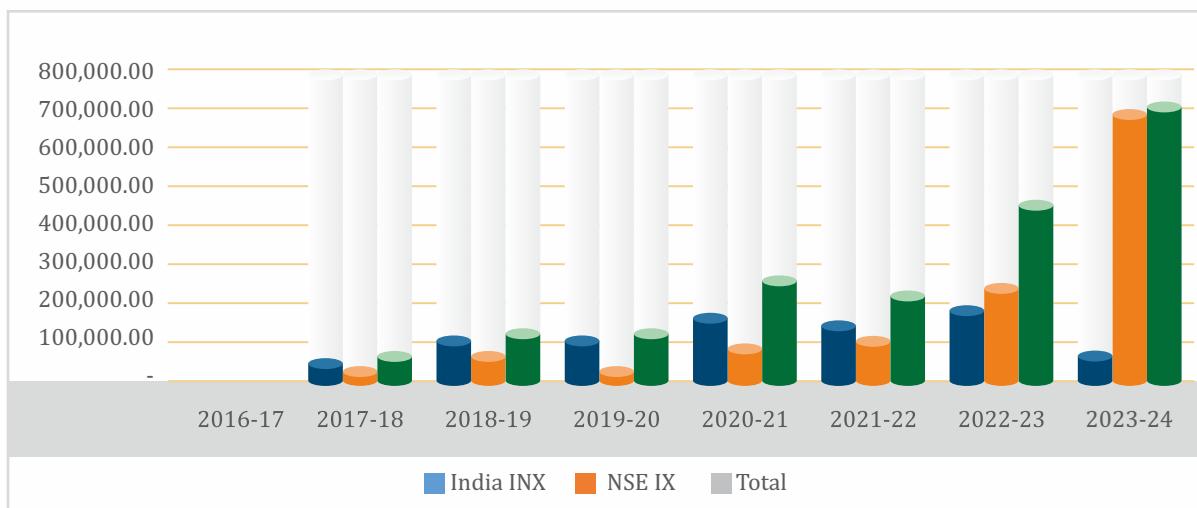
Further, IBUs in IFSC have been permitted (authorized) by IFSCA vide circular dated December 3, 2021, to undertake investment banking activities in IFSC, subject to certain conditions. As on March 31, 2024, there is one investment banker (registered) and two IBUs (authorized) to undertake investment banking activities in the IFSC.

Transaction/Processes/Operations/Trends

Turnover on Stock Exchanges

The turnover (including value of premium in case of options) on the stock exchanges in IFSC increased to USD 711 Bn during FY 2023-24 compared to USD 447 Bn of FY 2022-23 registering an increase of 59%.

Figure 6 : Turnover of stock exchanges (USD Mn)



Derivatives available for trading on Stock Exchanges

Index Derivatives

The most popular index derivatives on India INX are S&P BSE SENSEX & S&P BSE SENSEX 50. NSE IX offers trading in Futures and Options contracts on four Indices which are, NIFTY 50 Index, NIFTY BANK Index, NIFTY FINANCIAL Services Index and NIFTY IT Index.

Index Futures: Turnover in index futures grew by 75% in 2023-24 compared to 2022-23.

Table 11 : No. of contracts and turnover in index futures

Financial Year	No of Contracts		Turnover (USD Mn)	
	India INX	NSE IX	India INX	NSE IX
2022-23	8,161,501	7,397,074	148,374	254,965
2023-24	1,242,244	16,678,005	24,905	680,920

Source: India INX and NSE IX



Index Options: Turnover in index options in 2023-24 as compared to 2022-23 has been as under:

Table 12 : No. of contracts and premium turnover in index options

Financial Year	No of Contracts		Premium Turnover (USD Mn)	
	India INX	NSE IX	India INX	NSE IX
2022-23	173,297,387	724,776	9,695	188
2023-24	14,302,868	1,433,164	773	363

Source: India INX and NSE IX

Commodity Derivatives

There are various commodities derivatives available for trading on the stock exchanges as mentioned in the table below.

Table 13 : Commodities derivatives available for trading on the IFSC exchanges

Precious Metals	Gold, Silver
Base Metals	Copper, Aluminium, Lead, Nickel, Zinc
Energy	Brent Crude Oil

The turnover in commodity derivatives for the Financial Year 2022-23 and Financial Year 2023-24 has been as under:

Table 14 : Turnover in commodity derivatives on India INX

Financial Year	No of Contracts	Premium Turnover (USD Mn)
2022-23	552,439	31,632
2023-24	45,343	2,901

Source: India INX

Currency Derivatives

There are various currency derivatives available for trading on the stock exchanges as mentioned below:

Table 15 : Currency Derivatives

Global Currency Derivatives	EUR-USD, GBP-USD, JPY-USD, CHF-USD, AUD-USD
Rupee Derivatives	INR-USD, USD-INR

The turnover in currency derivatives in FY 2022-23 and FY 2023-24 has been as under:

Table 16: Turnover in currency derivatives

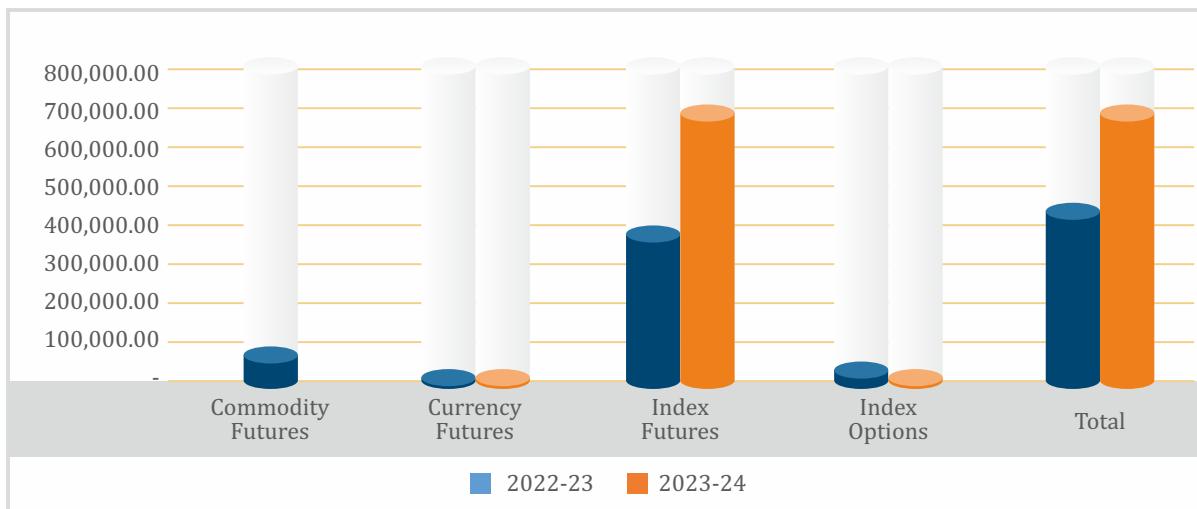
Financial Year	No. of Contracts		Premium Turnover (USD Mn)	
	India INX	NSE IX	India INX	NSE IX
2022-23	133,711	26,007	1,662	645
2023-24	36,481	19,731	444	480

Source: India INX & NSE IX

Contract wise bifurcation of the turnover

Contract wise turnover on stock exchanges in FY 2022-23 and FY 2023-24 has been as under:

Figure 7 : Turnover on stock exchanges in FY 2022-23 and FY 2023-24 (USD Mn)



Working Groups/ Committee

Working Group on Direct Listing of Listed Indian Companies on IFSC Exchanges

A Working Group was constituted by IFSCA in August 2023 for making recommendations for operationalising direct listing of equity shares of already listed Indian Companies.

The Working Group, chaired by Mr. Praveen Trivedi, Executive Director, IFSCA with members from Ministry of Corporate Affairs, Department of Economic Affairs, Securities and Exchange Board of India and other market participants submitted its report to Chairperson, IFSCA on December 20, 2023.

The Working Group studied the best practices for cross-border listing by companies in various jurisdictions. The Working Group, after extensive deliberations, recommended the various approaches for connecting the capital markets of India and IFSC for the proposed Direct Listing of Indian companies. The Working Group studied various regulatory and operational matters relating to dual listing of Indian companies. The recommendations are aimed at facilitating implementation of direct listing providing Indian companies a pathway to access global capital through IFSC. The final report is available on the IFSCA website and can be accessed [here](#).



Standing Committee on Primary Markets

IFSCA constituted a Standing Committee on Primary Markets on February 23, 2024, chaired by Mr. Shri Mohandas Pai. The committee shall advise IFSCA on (a) the various policy and regulatory matters on a periodic basis to facilitate the development of a vibrant and robust ecosystem for primary markets in the IFSC; (b) the roadmap and strategy for successful implementation of direct listing of public Indian companies on the stock exchanges in the IFSC; (c) introduction of new financial instruments for facilitating capital raising in the primary markets in the IFSC; (d) scaling up global debt market in the IFSC; and (e) matters relating to development and regulation of primary markets in the IFSC.

Circulars/ Guidelines

- (i) Status of operations at Disaster Recovery (DR) Site of the Broker-Dealers and Clearing Members (May 09, 2023)
- (ii) Direct Market Access and Sponsored Access facilities (June 21, 2023)
- (iii) Co-location facility offered by the Stock Exchanges (June 23, 2023)
- (iv) Settlement of Client's Funds lying with Broker-Dealer (March 14, 2024)
- (v) Monitoring investments from countries sharing land border with India (February 09, 2024)
- (vi) Reporting Norms for Capital Market Intermediaries (February 08, 2024)

Advocacy and Outreach

Round Table discussions in Singapore

An IFSCA delegation led by Chairperson, IFSCA had visited Singapore in November 2023. During the visit, Round Table discussions on following were organized:

- (i) Capital Markets in IFSC
- (ii) Fund management/ Wealth management in IFSC
- (iii) Ship Leasing in IFSC

These discussions were attended by the representatives of various prominent entities in Singapore. The participants were informed about the business opportunities in GIFT IFSC under IFSCA's regulatory ecosystem.



Image 5 : Chairperson, IFSCA with market participants during a Round Table in Singapore

Meeting with Monetary Authority of Singapore

Chairperson, IFSCA met with Mr. Lim Tuang Lee, Assistant Managing Director (Capital Markets), Monetary Authority of Singapore in November 2023 and discussed potential areas for collaboration.



Image 6 : Meeting of IFSCA and MAS

IOSCO Annual Meeting 2023

IFSCA participated in the IOSCO Annual Meeting 2023 held during June 12-16, 2023, at Bangkok, Thailand. As an associate member of IOSCO, the IFSCA delegation participated in the various meetings/ events of the IOSCO Annual Meeting, including Asia Pacific Regional Committee (APRC) meeting, Growth and Emerging Markets Committee Meeting, and Presidents' Committee Meeting.

The IFSCA delegation also participated in the regulatory workshops that revolved around regulation of crypto markets, building healthy and efficient sustainable markets, enhancing market supervision and integrity through the use of SupTech and building a CCP (Central Counterparties) particularly in emerging markets.

On the sidelines of the IOSCO Annual Meeting, the IFSCA delegation held bilateral meetings with securities market regulators of six jurisdictions.

IOSCO EMMoU

Due to challenges that come with the interconnectedness of financial markets and technological advancements, IOSCO established an Enhanced Multilateral Memorandum of Understanding ("IOSCO EMMoU") in the year 2016 to enhance cooperation and information sharing between securities regulators. The IOSCO EMMoU provides for cooperation with additional powers that IOSCO has identified as necessary to ensure continued effectiveness in safeguarding market integrity and stability, protecting investors and deterring misconduct and fraud. The IOSCO EMMoU provides for additional powers that are referred to as the "ACFIT" powers. It includes



powers to obtain and share audit work papers, review financial statements, compel physical attendance for testimony, freeze assets and obtain existing internet service provider (ISP) and telephone records.

During the year, IFSCA has applied for becoming a signatory to the IOSCO EMMoU.

IOSCO World Investor Week 2023

The World Investor Week (WIW) is a week-long global campaign promoted by IOSCO to raise awareness about the importance of investor education and protection and to highlight the various initiatives of securities regulators across the world in this regard.

As a member of IOSCO, IFSCA celebrated the World Investor Week 2023 on the theme related to sustainable finance and investor resilience, during the week starting October 09, 2023. The two stock exchanges at GIFT IFSC actively took part in the celebrations in co-ordination with IFSCA. A series of events and activities were organized as part of the celebrations that included a statement by Chairperson, IFSCA, opening bell ringing ceremony, webinars/roundtable discussions, outreach to students and brokers, social media campaign and closing bell ceremony.

Details of the various events conducted as part of IOSCO World Investor Week 2023 are as follows:

Statement by Chairperson, IFSCA

As part of the IOSCO World Investor Week, 2023 Shri. K. Rajaraman, Chairperson, IFSCA issued a statement emphasising on the importance and significance of sustainable finance. In his statement, he mentioned the various initiatives taken by IFSCA to emerge as global hub for green and sustainable finance and highlighted the various investment opportunities at GIFT City.

Opening Bell Ringing Ceremony hosted by NSE International Exchange IFSC Limited (October 09,2023)

To commence the celebrations of the IOSCO World Investor Week, 2023 at GIFT IFSC, a virtual webinar was organized by NSE International Exchange IFSC Limited (NSE IX) on the topic "GIFT IFSC: A Gateway to Global Capital Market", wherein Dr. Dipes Shah, Executive Director, IFSCA participated in a webinar as the Guest of Honour. During the event, the growth and development of the capital market ecosystem at GIFT IFSC was highlighted and all the stakeholders were called upon to make GIFT IFSC as a preferred destination for listing of Indian and foreign companies.

Webinar organized by BSE Brokers' Forum (October 10, 2023)

A webinar entitled "India Investor Show 2023" was organised by BSE Brokers' Forum which had representatives from IFSCA, SEBI, BSE Brokers' Forum, stock exchanges at IFSC and other stakeholders. The various investment opportunities through the GIFT IFSC for NRIs, Foreign nationals and for resident Indians in global markets through GIFT City were discussed including the Direct Listing Scheme. IFSCA officials also provided information about the overall development of the capital markets ecosystem at GIFT IFSC including the various products and services, such as fund management activities, GIFT NIFTY Derivatives, ESG labelled bonds and investment opportunities for resident Indians in global markets via IFSC based stock exchanges.

Webinar hosted by NSE IX (October 11, 2023)

IFSCA officials participated in a webinar on "Importance of sustainability reporting" as part of World Investor Week, 2023 hosted by NSE IX. During the event, various regulatory initiatives

undertaken by IFSCA on sustainable finance were highlighted. Reporting requirements with respect to ESG labelled bonds, ESG funds and sustainability lending by IFSC Banking Units in GIFT IFSC were discussed.

Roundtable Discussion with Investment Bankers (October 12, 2023)

IFSCA hosted a roundtable discussion with Investment Bankers on the topic – “Opportunities at GIFT IFSC”. Mr. Praveen Trivedi, Executive Director and other senior officials from IFSCA participated in the virtual roundtable. The discussion revolved around the role and significance of investment bankers for facilitating (a) Direct listing of equity shares of Indian companies on IFSC exchanges; and (b) Listing of ESG Labelled Bonds in order to establish GIFT IFSC as a gateway for channelizing foreign capital into India.

Social Media Campaign (October 09-13, 2023)

As part of the IOSCO World Investor Week,2023, IFSCA used its social media platform, especially twitter (X) and LinkedIn to generate awareness about smart investing in sustainable finance. This was done through posting messages relating to ESG investing, socially responsible investing, impact investing, greenwashing etc. Various events and programs conducted as part of the World Investor Week,2023 were also posted on the social media platforms by IFSCA and the stock exchanges at IFSC.

Closing Bell Ceremony hosted by India International Exchange Limited (October 13, 2023)

The closing bell ceremony for the World Investor Week, 2023 was hosted by India International Exchange Limited. Mr. Praveen Trivedi, Executive Director, IFSCA was the Guest of Honour of the event wherein many officials from IFSCA also participated. During the event, Mr. Praveen Trivedi stressed the importance of protecting the interests of investors in the development of the international financial ecosystem at GIFT IFSC.



Image 7 : Mr. Praveen Trivedi, Executive Director of IFSCA and Mr. Saurabh Shah, Corporate Advisor ring the closing bell ceremony of the IOSCO World Investor Week, 2023 hosted by India INX



IFSCA's participation in the IOSCO World Investor Week 2023, in coordination with the stock exchanges in GIFT IFSC on the theme related to sustainable finance and investor resilience played an important role in generating awareness about various developments relating to sustainable finance and the various opportunities for investors in GIFT IFSC.

Policy and Programmes for the Following Year

New IFSCA (Listing) Regulations, 2024

Considering that several suggestions have been received for amendments in the IFSCA (Issuance and Listing of Securities) Regulations, 2021 it has been decided that the extant (Issuance and Listing of Securities) Regulations, 2021 may be replaced with the new IFSCA (Listing) Regulations, 2024. The new IFSCA (Listing) Regulations, 2024 is expected to be notified next year.

The proposed new IFSCA (Listing) Regulations, 2024 is expected to promote ease of doing business for the issuers, both domestic and foreign, to access capital market through listing of securities on the stock exchanges in the IFSC. The issuers will be able to access capital with greater flexibility and efficiency. The regulations are expected to give a fillip to the primary market activities in the IFSC, across various financial instruments.

New regulations on Takeovers and Buybacks

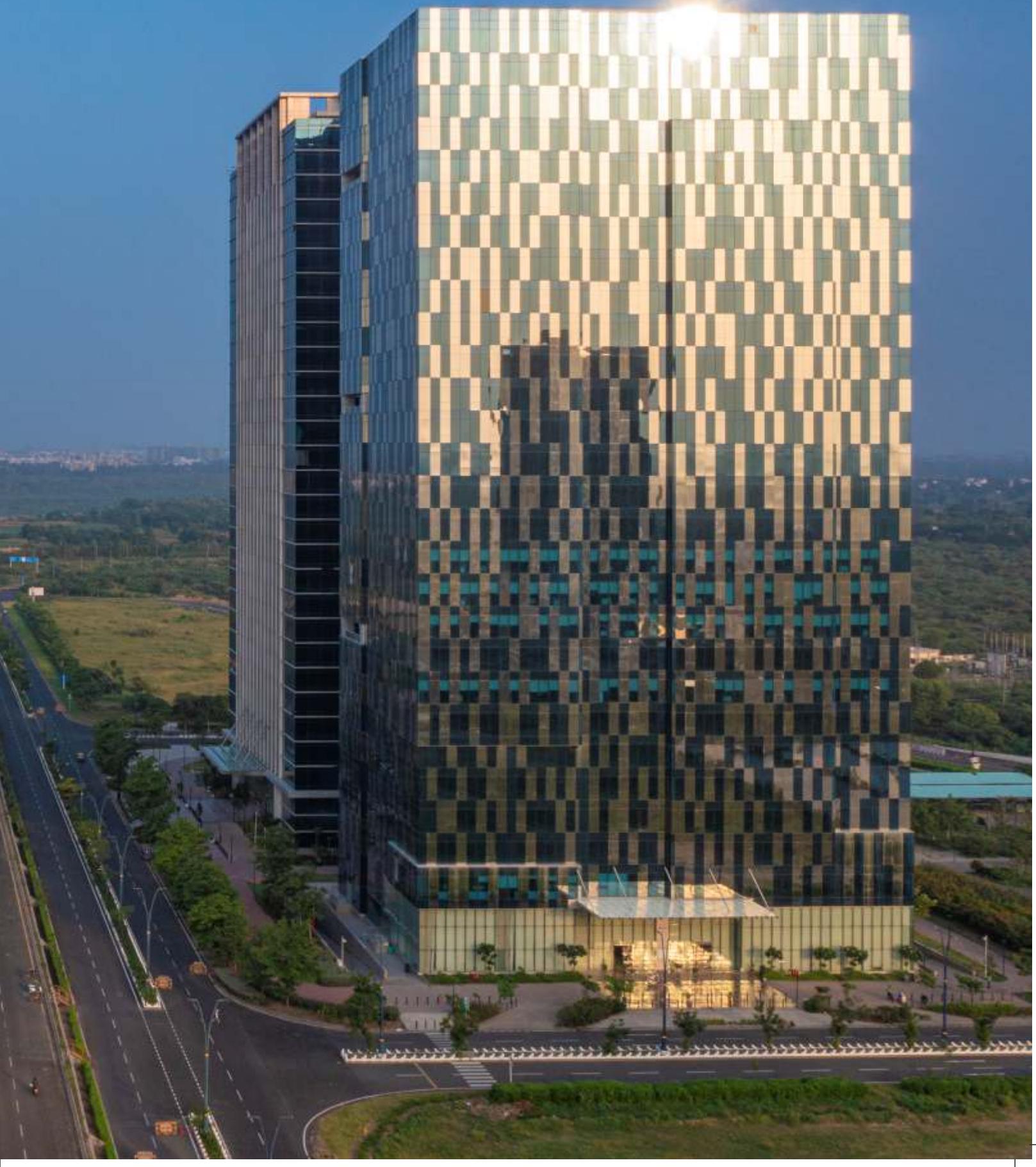
IFSCA will be reviewing the regulatory requirements for takeovers and buybacks of equity shares of companies listed on the recognised stock exchanges in the IFSC. The purpose is to benchmark the regulatory requirements with the international best practices.

New regulations on prohibition of market abuse

IFSCA will be reviewing the regulatory requirements for prohibition of insider trading and prohibition of fraudulent and unfair trade practices in the securities market in the IFSC. The purpose is to benchmark the regulatory requirements with the international best practices.

Review of IFSCA (Capital Market Intermediaries) Regulations, 2021

In terms of IFSCA (Procedure for making regulations) Regulations, 2021, IFSCA is required to review the regulations every three years. Accordingly, IFSCA (Capital Market Intermediaries) Regulations, 2021 will be reviewed in the next year (2024-25).





FUND MANAGEMENT //

A robust Fund Management industry along with a well-developed supporting ecosystem is pivotal to the growth of capital markets. With a view to develop GIFT IFSC as a preferred jurisdiction for global fund management industry, IFSCA notified the Fund Management Regulations in April 2022, which came into effect in May 2022. The Regulations have adopted global best practices and facilitate innovation and promote ease of doing business in IFSC.

Earlier, pooling of global capital for investments into India was predominantly undertaken through funds set up in overseas financial jurisdictions. In the short span of time since these regulations have come into effect, GIFT IFSC is emerging as a preferred jurisdiction for pooling global funds for investments into India as well as overseas, on account of best-in-class regulatory architecture and competitive tax regime.

The Fund Management ecosystem is growing rapidly and comprises of 104 Fund Management Entities, 115 Alternative Investment Funds (AIFs), and the total investment made by AIFs in IFSC being USD 3.7 Bn as of March 2024. Further, 11 schemes have been redomiciled to GIFT IFSC from different foreign jurisdictions, which is a testimony of the industry acceptance of the regulatory and tax regime for investment funds in GIFT IFSC.

The IFSCA (Fund Management) Regulations, 2022 provide for unified registration to the Fund Management Entity (FME) and permit them to undertake a host of fund management activities, such as managing retail schemes (including Exchange Traded Funds), non-retail schemes (Alternative Investment Funds), investment trusts (Real Estate Investment Trusts and Infrastructure Investment Trusts), Portfolio Management Services, etc.

The regulations establish three categories for FMEs:

- (i) Registered FME (Retail): These FMEs can serve both retail and non-retail investors, offering a variety of fund management products and services, such as retail schemes (including Exchange Traded Funds), non-retail schemes (Alternative Investment Funds), Venture Capital Schemes, Portfolio Management Services, etc.
- (ii) Registered FME (Non-Retail): These FMEs cater to accredited investors or those investing at least USD 150,000, with lower eligibility requirements compared to retail FMEs.
- (iii) Authorized FME: This special category, with light-touch registration requirements, targets FMEs investing only in unlisted start-up securities through Venture Capital Schemes, exclusively serving accredited investors or those investing at least USD 250,000.

The categories, based on the risk potential of permitted activities, also dictate the initial and ongoing regulatory requirements. Detailed eligibility and regulatory requirements for various schemes and services are specified under the regulations.

Policy/ Regulatory Developments

Framework for Accredited Investors in IFSC

IFSCA (Fund Management) Regulations, 2022 provide certain flexibilities to the "Accredited Investors" and the FMEs that deal with them. Therefore, in line with the global best practices, IFSCA has laid down the framework for eligibility of such investors and the modalities of their accreditation.

Box 3: Regulatory Framework for Accredited Investors in IFSC

In several international financial centres, the financial sector regulators provide certain flexibility to such investors who are deemed to be better aware of and have the financial wherewithal to withstand the risks emergent from their investments, and also extend certain flexibilities to such market participants which deal with such investors.

IFSCA has laid down a detailed framework for Accredited Investors, which, inter alia, includes the eligibility criteria for such investors and the modalities of accreditation. The framework is modelled around the globally benchmarked processes for accreditation, eligibility criteria for different types of investors, such as Individuals, HUFs, Partnership firms, Body Corporate, Trusts, etc., and permits a defined set of entities to be deemed as Accredited Investors by virtue of their special status.

The framework also lays down certain responsibilities for the regulated entities that onboard Accredited Investors and provides a mechanism to investors to opt-in / opt-out of the accreditation.

The extant IFSCA (Fund Management) Regulations, 2022, provide following flexibilities for "Accredited Investors" and FMEs dealing with them:

- (i) **No Minimum Investment Threshold:** Accredited Investors are exempt from the minimum investment thresholds for Venture Capital Schemes, Restricted Schemes, and Portfolio Management Services, allowing them to invest without entry threshold.
- (ii) **Exemption from 'Skin in the Game' Contribution:** For Venture Capital Schemes and Restricted Schemes where 2/3rd of investors are Accredited Investors, FMEs and their associates are not required to contribute to the scheme. This exemption removes the need for the 'skin in the game' contribution, which typically ensures the FME's interests align with those of the investors.

Further, the regulatory framework for Distributors of capital market products and services, specified vide Circular dated December 21, 2022, under IFSCA (Capital Market Intermediaries) Regulations, 2021, also makes a reference to "Accredited Investors" and enables distribution of a wider bouquet of products and services to such investors as compared to other investors.



Supervision of Fund Management Entities

Offsite Supervision

To ensure that the pace of growth of fund management activities in GIFT IFSC is supported by a healthy culture of compliance, IFSCA has laid down the framework for offsite supervision of FMEs by specifying reporting norms for FMEs. The reports, required to be submitted on quarterly basis, includes submission of quantitative information about the fund management operations and a duly signed compliance report from the officials of the FME.

Onsite Supervision

IFSCA carried out onsite visits of 3 Fund Management Entities during FY 2023-24. As a result of this exercise, Advisory Letters were issued to 2 Fund Management Entities.

Facilitating Sovereign Wealth Funds to set up FMEs in GIFT IFSC

In order to facilitate sovereign wealth funds to set up their FMEs in GIFT IFSC for management of their own assets, a clarification was issued by IFSCA to remove certain difficulties faced by such funds given their unique nature and mandate. Subsequently, a large Sovereign Wealth Fund has obtained IFSCA's approval to set up its FME in GIFT IFSC to manage its portfolio of investments into India.

Further, in order to position GIFT IFSC as an attractive jurisdiction for such Funds, IFSCA issued another clarification to dispense with certain regulatory restrictions which lead to difficulties for such funds.

Net Worth of Fund Management Entities

With a view to sensitize the FMEs about the importance of maintaining adequate capital and to disincentivize behaviour which may lead to fall in net worth, certain business restrictions regarding onboarding of new clients and undertaking new activities have been imposed in such cases where a FME's net worth falls below the threshold prescribed in the Regulations.

Transaction/Processes/Operations/Trends

As on March 31, 2024, there are 104 FMEs registered with IFSCA, wherein the largest number of registrations have been observed in the Registered FME (Non-Retail) category. The FMEs collectively target to raise USD 33.5 Bn across different types of schemes permitted under the IFSCA (Fund Management) Regulations, 2022.

Number of registered FMEs and Investment made by Fund Management Schemes are provided below:

Table 17 : Number of registered FMEs

FME Registrations	As on March 31, 2024
Total Number of FMEs	104
<i>of which, No. of Registered FME (Retail)</i>	5
<i>of which, No. of Registered FME (Non-Retail)</i>	92
<i>of which, No. of Authorised FME</i>	7

Table 18 : Investment by Fund Management Schemes

Details regarding Schemes (As on March 31, 2024)		In USD Mn
	Schemes Authorised	Investment Made
Venture Capital Schemes	11	19.71
<i>of which, Angel Schemes</i>	4	4.07
Restricted Schemes	104	3676.3
<i>of which, Category I & II AIFs</i>	41	2,467.78
<i>of which, Category III AIFs</i>	63	1208.52
Total Schemes in IFSC	115	3696.01

Portfolio Management Services

The IFSCA (Fund Management) Regulations, 2022 provide that FMEs which are registered under the categories of Registered (Retail) and Registered (Non-Retail) may also provide Portfolio Management Services. The details are provided below:

Table 19 : FMEs providing PMS

Number of FMEs providing PMS	Assets Under Management (USD Mn)
18	1045

Advocacy and Outreach

In order to create awareness about the regulatory regime and the scope of opportunity for fund management related activities available in GIFT IFSC, IFSCA undertook several measures for outreach to the fund management and allied industries, as illustrated below:

Roundtable discussion with Asset Management Companies of Mutual Funds and Wealth Managers in India

IFSCA organized roundtable discussions with leading Asset Management Companies of Mutual Funds and Wealth Managers in India on January 05, 2024, to apprise them about the opportunities in fund management and distribution activities at IFSC, while also seeking their feedback on the regulatory regime laid down by IFSCA for these activities.

Roundtable discussion with Senior Management of large global funds

An exclusive roundtable was organized with the senior officials of IFSCA in Mumbai on October 19, 2023, with senior leaders from global investment funds. Chairperson, IFSCA along with senior officials of IFSCA held discussions on the wide array of fund management related opportunities available at GIFT IFSC. Important suggestions towards further growth of the industry were also discussed.



Image 8 : Chairperson, IFSCA, presiding the roundtable discussion with large global funds

IVCA Conclave 2024

A delegation from IFSCA participated in the IVCA Conclave 2024 organised by Indian Venture and Alternate Capital Association (IVCA) on February 26 - 27, 2024. Shri Pradeep Ramakrishnan, Executive Director, IFSCA, participated in a fireside chat session where he briefed the participants about the regulatory landscape of IFSC, opportunities and offerings available for the funds industry at GIFT IFSC. He emphasized on the potential ease of doing business that would result from the upcoming single window clearance facility, direct listing opportunity for Indian startups on stock exchanges in GIFT IFSC and various initiatives taken by IFSCA in the area of sustainable finance.



Image 9 : Shri Pradeep Ramakrishnan, Executive Director, with other dignitaries during IVCA Conclave 2024

IVCA Private Credit Summit 2023

Chairperson, IFSCA addressed the participants in IVCA Private Credit Summit 2023 on December 06, 2023. While apprising the participants about the growth and opportunities for private credit funds at IFSC, Chairperson, IFSCA also emphasized the importance of GIFT IFSC as the gateway to channelize capital flows into India.



Image 10 : Chairperson, IFSCA addressing the audience during IVCA Private Credit Summit 2023

Policies and programs for the following year

Reviewing the framework for Distributors of Capital Market Products & Services

The Circular issued by IFSCA on December 21, 2022, in this subject restricts the Distributors from accepting remuneration from their clients and they are expected to charge the issuers or service providers whose products or services, respectively, they distribute. A review of this restriction shall be undertaken, particularly in the light of foreign practices and the feedback received from the market participants.

Review of IFSCA (Fund Management) Regulations, 2022

The Regulations will be reviewed during the year, primarily with the focus of enhancing ease of doing business and based on the experience gained in last 2 years towards implementation of the Regulations.



METALS AND COMMODITIES //

India, being one of the largest gold importers and consumers, is poised to enhance its role in the global precious metals market through the establishment of the International Bullion Exchange at GIFT IFSC. This initiative originated from the NITI Aayog's 2018 report on transforming India's gold market and was announced in the 2020 Union Budget.

The IFSCA formalized regulations for the Bullion Exchange in December 2020, leading to the creation of the India International Bullion Exchange (IIBX) by a consortium of five major Market Infrastructure Institutions (MIs) in India and the GIFT IFSC. IIBX was formally launched by the Hon'ble Prime Minister on July 29, 2022. The idea behind IIBX is to create a vibrant marketplace and to develop a transparent Exchange model to determine the price of various metals and commodities within the country, including precious metal such as gold, silver etc, thus making India a price setter rather than a price taker in the global market.

As of March 2024, IFSCA has granted registration to 5 entities as Bullion Trading Member (Bullion TM), 6 entities as Bullion Trading and Clearing member (Bullion TMCM), 2 entities as Bullion Professional Clearing Member (Bullion PCM) and 3 entities as Bullion Trading Member cum Self Clearing Member. Further, 118 Qualified Jewellers and 82 Valid India UAE CEPA TRQ Holders have been notified by IFSCA. Three internationally recognized vault managers have established vaults in GIFT IFSC with capacity of 420 tonnes for Gold and 2200 tonnes for Silver.

India is one of the largest importers and consumers of Gold and, thus, aims to be a significant price influencer in the global gold market. Total gold imported in India in CY 2023 was 862 tonnes including Dore imports of 220.9 tonnes. This is an increase of 16% over CY 2022 when 741.1 tonnes of gold (including 249 tonnes of Dore) was imported in India. The demand for gold as witnessed by various sectors constituted jewellery wherein the demand in India dropped by 6 per cent to 562.3 tonnes in 2023, compared to 600.6 tonnes in the previous year, total gold investment demand in the country grew by 7 per cent to 185.2 tonnes, compared to 173.6 tonnes in the previous year.⁷¹

India has a huge demand for Silver as well and is the world's largest silver consumer. With the Indian government's focus on renewable energy and electric vehicles, the demand for Silver in the coming years is expected to continue and grow further. Other factors such as rising disposable income, awareness for silver as an investment instrument, etc. may also lead to an increased demand for silver.

With such huge demand for gold and silver in the country, the formation of an India International Bullion Exchange IFSC Limited (IIBX) is one of the steps which provide opportunities for formalization of the gold and silver import/trade in India through the model of Exchange, which provides a more transparent, democratic, and efficient platform for import/trade. Further, the Authority also aims to introduce more commodity-related products and derivatives thereon on the exchanges in the GIFT IFSC.

Policy/ Regulatory Developments

India International Bullion Exchange

IIBX is promoted by India's leading market infrastructure institutions like NSE, India INX, India ICC, NSDL, CDSL and MCX and is regulated by IFSCA. The role of IIBX is to provide a transparent electronic trading platform for metal and commodities trading in IFSC, democratic pricing mechanism, greater integration with other segments of financial market, become a price influencer in the international market. etc.

During the Financial Year 7,928.20 Kgs of gold and 908,800 Kgs of silver were imported through IIBX.

Products on IIBX

The following spot products are available on IIBX:

Table 20 : Spot Products available on IIBX (Gold)

Product	Gold		
	Trading Unit	Purity	Good Delivery Standard
GOLD 995 T+0	1 Kg	995	LBMA
GOLD MINI 999 T+0	100 grams	999	LBMA
UAEGD GOLD 995 T+0 (*)	1 Kg	995	UAE Good Delivery (UAEGD)
UAEGD GOLD 999 T+0 (*)	100 grams	999	UAE Good Delivery (UAEGD)

(*) The abovementioned UAEGD Gold 995 purity and UAEGD Gold 999 purity products have also been extended to Tariff Rate Quota (TRQ) holders for the purpose of imports under India-UAE Comprehensive Economic Partnership Agreement (CEPA). Suitable and adequate safeguards have been put in place to ensure that the conditions, such as the requirement of Certificate of Origin from UAE's Ministry of Economy, specified under the India-UAE CEPA are complied with by the sellers and the buyers. Only TRQ holders can import UAEGD TRQ GOLD within the pre-approved quota allotted by the DGFT.

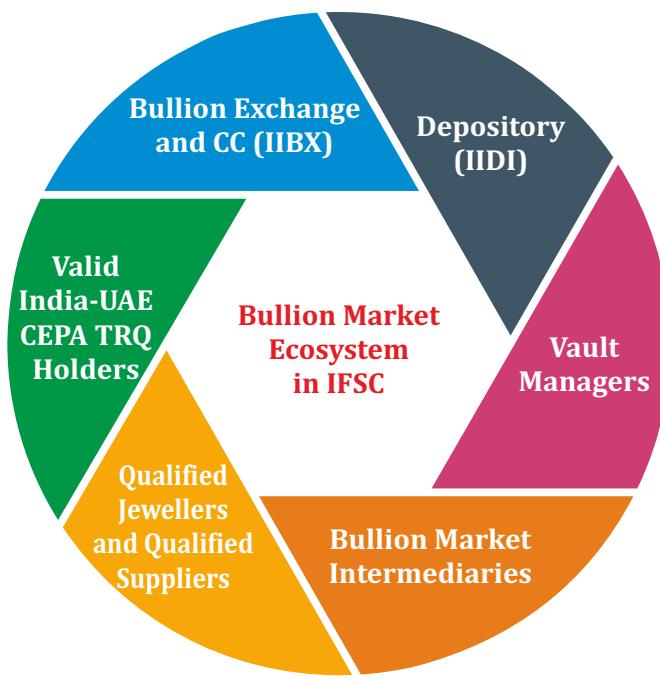
Table 21 : Spot Products available on IIBX (Silver)

Product	Silver		
	Trading Unit	Purity	Good Delivery Standard
SILVER Grains T+0	20 Kg	999	LBMA
UAEGD SILVER Grains T+0	20 Kg	999	UAE Good Delivery (UAEGD)
UAEGDCEPA SILVER Grains T+0	20 Kg	999	UAE Good Delivery (UAEGD)
SILVER Bar T+0	30 Kg	999	LBMA
UAEGD SILVER Bar T+0	30 Kg	999	UAE Good Delivery (UAEGD)

⁷¹ WGC Report for CY 2023 available on www.gold.org



Figure 8 : Bullion Market Ecosystem in IFSC



Exchange and Clearing Corporation

IIBX is an IFSCA registered Market Infrastructure Institution operating as a Bullion Exchange and Bullion Clearing Corporation. Currently, as a Bullion Exchange, it provides platform that offers trading in products related to bullion (gold and silver). Its role as a Clearing Corporation is to act as a central counter party for clearing and settlement of all the trade executed on the Bullion Exchange.

Depository

GIFT IFSC has a single depository named India International Depository IFSC Ltd (IIDI) (previously known as CDSL IFSC Ltd) which has also been designated as a Bullion Depository. The role of IIDI is to perform the function of issuance of Bullion Depository Receipts in electronic form for trading on the Bullion Exchange. It also performs the function of overseeing the storage and safeguarding of bullion through the vault managers. Further, as a bullion depository, IIDI also ensures that the vault manager has the systems, mechanism, and related IT infrastructure to provide encrypted transmission of information to the bullion depository and system-based reconciliation of data between the vault manager and bullion depository.

Vaulting Infrastructure

The vaulting infrastructure in GIFT IFSC includes facilities for the storage of the bullion. Currently, 3 Vault Managers namely Sequel Logistics Private Limited, Brinks India Private Limited and Malca-Amit JK Logistics Pvt. Ltd. have been registered by the Authority. The total capacity of the vaults in the GIFT IFSC is 420 tonnes of gold and 2,200 tonnes of silver.

Bullion Market Intermediaries

The Authority has enabled the Trading Members (TMs) and Clearing Members (CMs) from the existing Exchanges at IFSC to be eligible to be grandfathered as members of the Bullion Exchange and Bullion Clearing Corporation (IIBX). In addition to the grandfathered members, new members are also registered as Bullion TM/CM of the IIBX.

The number of the Bullion Market Intermediaries registered in the capacity of Bullion Trading member (Bullion TM), Bullion Trading and Clearing member (Bullion TCM), Bullion Trading cum Self Clearing Member (Bullion TSCM) and Bullion Professional Clearing member (Bullion PCM) as on March 31, 2024, is given below. The names and details of these entities are available on the website of the Authority.

Table 22 : Registered Bullion Market Intermediaries at GIFT IFSC

Bullion TM	Bullion TCM	Bullion TSCM	Bullion PCM
5	6	3	2

Qualified Jewellers

The Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry vide its Notification No.49/2015-2020 dated January 05, 2022, had, inter alia, specified that Qualified Jewellers (QJs) notified by IFSCA shall be permitted to import gold under ITC(HS) Codes 71081200 and 71189000, through India International Bullion Exchange IFSC Limited ("IIBX"). Based on the DGFT notification, IFSCA issued a Circular on January 19, 2022, specifying, inter alia, the eligibility conditions for notifying an entity as a Qualified Jeweller. Qualified Jewellers are resident entities can undertake imports of bullion through IIBX provided that they fulfil the criteria laid down in the aforementioned IFSCA Circular and notified by IFSCA.

Further, vide its Notification in October 2023, DGFT amended the import policy condition for silver to permit import by QJs under ITC (HS) Codes 71069110 and 71069290.

As of March 31, 2024, IFSCA has notified 118 Qualified Jewellers, the details of which are available on the website of the Authority.

Valid India-UAE CEPA TRQ Holders

India and UAE have signed a Comprehensive Economic Partnership Agreement on February 18, 2022, which, inter alia, promotes bilateral trade in bullion, and gems and jewellery sectors. Under the India-UAE CEPA, India can import a certain quantity of gold (Tariff Rate Quota) from the eligible UAE entities every year with customs duty 1% lower than the prevailing rate. The said TRQ is allocated to eligible Indian entities (India-UAE CEPA TRQ holders) by DGFT at the start of Financial Year.

With a view to facilitate imports by India-UAE CEPA TRQ holders through IIBX, DGFT amended the import policy condition for ITC(HS) Code 71081200 of Chapter 71 of ITC(HS) 2022, Schedule -I (Import Policy) stating that valid India-UAE TRQ holders as notified by IFSCA can import gold through IIBX against the TRQ and can obtain physical delivery of the same through IFSCA



registered vaults located in SEZs as per the guidelines prescribed by the IFSCA. Subsequently, IFSCA issued a circular on December 13, 2023, to facilitate the participation of India-UAE CEPA TRQ Holders on the IIBX for import of UAE Good Delivery (UAEGD) TRQ Gold under the India-UAE CEPA.

Further, RBI vide circular dated January 31, 2024, provided the guidelines on import of gold by TRQ Holders under the India UAE CEPA as notified by IFSCA to all the Category-I Authorised Dealer Banks. During FY 2023-24, IFSCA notified 82 valid India UAE CEPA TRQ Holders.

Major Developments/Operations

- (i) The Office of Development Commissioner, GIFT SEZ (Ministry of Commerce and Industry), through public notice no. 01/2023-24 dated May 11, 2023, intimated about the launch of the Indian Custom EDI System- ICES/ICEGATE for imports and exports at GIFT Multi Services SEZ, Gandhinagar, Gujarat.
- (ii) IIBX implemented every 30 minutes settlement of Bullion Depository Receipts (BDRs) for pre-funded T+0 contracts and direct pay-outs of BDRs to Clients/ SCCs for pre-funded T+0 contracts.
- (iii) IIBX implemented Multiple Fund settlement cycles for T+0 contracts (3 cycles per day) for funds pay-out for the T+0 contracts traded on IIBX with effect from March 11, 2024.

Circulars/ Guidelines issued by the Authority

Bullion Trading Members and Clearing Members in IFSC (August 07, 2023)

In continuation to the IFSCA circular dated January 27, 2023, this circular extended the initial 6-month period (from the date of operationalization of Bullion Exchange) for maintaining the Net Worth and Base Minimum Capital specified in the paragraph 3 and 4 of the IFSCA Circular F.No. 329/IFSCA/Bullion MIIs/2021 dated September 17, 2021, by an additional period of 6 months i.e., till January 28, 2024.

Import of gold and silver by Qualified Jewellers through India International Bullion Exchange (December 11, 2023)

A consolidated circular was issued for the purposes of import of gold and silver by eligible entities as Qualified Jewellers, to transact on IIBX as clients of Bullion Trading Members or as 'Special Category' Clients (SCC) under ITC(HS) codes 7106, 7108, 7113, 7114 and 7118 under Chapter 71 of ITC(HS).

'Qualified Suppliers' for supply of bullion on India International Bullion Exchange (December 11, 2023)

Not changing any other provision of the IFSCA circular 415/IFSCA/Consolidated Operating Guidelines/2021-22 dated August 18, 2022, the instant Circular renamed 'Limited Purpose Trading Member(s)' or 'LPTM(s)' in the IFSCA Circular dated August 18, 2022, as 'Special Category' Client(s).

Import of UAEGD Gold through IIBX by valid India-UAE TRQ holders (December 13, 2023)

Subsequent to the DGFT notification No.44/2023 dated November 20, 2023, permitting valid India UAE TRQ Holders as notified by IFSCA to import gold through IIBX against the TRQ, this Circular permitted the valid holders of India - UAE Tariff Rate Quota (TRQ) license / authorisation as allotted by DGFT to be eligible to apply for being notified as 'India-UAE TRQ holders' by the IFSCA. After being notified by the IFSCA, such valid India-UAE TRQ holders have been permitted to participate on IIBX, through Bullion Trading Members, for transacting in ('buying' only) UAEGD gold for import under the India-UAE CEPA, subject to the quota, and other applicable terms and conditions.

Bullion Trading Members and Clearing Members in GIFT-IFSC (February 22, 2024)

In continuation to the IFSCA circular dated August 07, 2023, this Circular extended the initial 6-month period (from the date of operationalization of Bullion Exchange) for maintaining the Net Worth and Base Minimum Capital specified in the paragraph 3 and 4 of the IFSCA Circular F.No. 329/IFSCA/Bullion MIIs/2021 dated September 17, 2021, by an additional period of 6 months i.e., till July 28, 2024.

Notifications/Circular/Guidelines issued by other agencies relevant to the Bullion Ecosystem in IFSC

- (i) DGFT vide Notification No. 35/2023 dated October 11, 2023, amended the import policy condition for silver to permit import by QJs under ITC (HS) Codes 71069110 and 71069290.
- (ii) RBI vide circular RBI/2023-2024/83 A.P. (DIR Series) Circular No. 07 dated November 10, 2023, provided guidelines to all the Category-I Authorised Dealer Banks on import of silver by Qualified Jewellers as notified by IFSCA.
- (iii) DGFT vide notification no. 44/2023 dated November 20, 2023, amended the import policy condition of gold under HS code 71081200 permitting the valid India-UAE TRQ holders as notified by IFSCA to import gold through IIBX against the TRQ and taking physical delivery of the same through IFSCA registered vaults located in SEZs as per the guidelines prescribed by the IFSCA.
- (iv) RBI vide circular RBI/2023-24/118 A.P. (DIR Series) Circular No.14 dated January 31, 2024, provided the guidelines to all the Category-I Authorised Dealer Banks on import of gold by Tariff Rate Quota (TRQ) holders under the India UAE CEPA as notified by IFSCA.
- (v) RBI vide circular RBI/2023-24/120 DoR.AUT.REC.74/24.01.041/2023-24 dated February 9, 2024, has permitted the following-
 - a. Branch/subsidiary/joint venture of an Indian bank in GIFT IFSC to act as a Trading Member (TM)/Trading and Clearing Member (TCM) of IIBX, and
 - b. Indian banks authorized to import gold/silver to act as Special Category Client (SCC) of IIBX



Working Group / Committee

IFSCA constituted Precious Metal Advisory Committee (PMAC), under chairmanship of Mr. Somasundaram PR, MD and Regional CEO, World Gold Council (India), as a major step towards stakeholder engagement on the strategic and operational aspects for the growth and development of precious metal ecosystem in GIFT IFSC and the country at large. The Committee would bring expertise, objectivity and transparency and shall assist IFSCA in staying abreast of developments and identifying growth opportunities in the precious metals sector. The Committee would bridge the gap between the IFSCA and the industry, and work on a comprehensive roadmap with targets to achieve the broad regulatory objectives of the IFSCA.

Advocacy and Outreach

Various outreach programs were undertaken by IFSCA towards the growth and development of Bullion ecosystem in IFSC. These include participation in global and national conferences such as-

- (i) India Silver Conference, Jaipur, in April 2023
- (ii) Asia Pacific Precious Metals Conference, Singapore, in June 2023
- (iii) India Gold Conference, Kolkata, in August 2023
- (iv) Global Precious Metals Conference, Barcelona, Spain in October 2023
- (v) Dubai Precious Metal Conference, Dubai, UAE, in November 2023
- (vi) IGPC-IIMA Annual Gold & Gold Markets Conference, New Delhi, in February 2024

Further, the Authority also interacted with the market participants of the Bullion ecosystem in GIFT IFSC to gather their feedback on various challenges faced by them while trading and importing through IIBX.

Policies and programs for the Following Year

Review and revision of IFSCA (Bullion Exchange) Regulations, 2020

Regulation 7 of the IFSCA (Procedure for making Regulations) Regulations, 2021, stipulates that the IFSCA shall review each Regulation, every three years. The IFSCA (Bullion Exchange) Regulations, 2020 which were notified on December 4, 2020, are due for review. IFSCA has already sought, and received, suggestions for review of IFSCA (Bullion Exchange) Regulations, 2020 for public and regulated entities.

Operationalising the IFSC vaulting centres at other locations within Special Economic Zones or Free Trade Warehousing Zones across India

The IFSCA aims to establish vaulting facilities at locations outside GIFT IFSC, enabling market participants such as QJs, nominated banks, and TRQ holders to receive gold and silver deliveries at major bullion centres across India. This initiative will support their manufacturing activities and is expected to boost trading volumes on the IIBX.

In the near future, a vaulting centre may be established at Chennai by identifying a suitable special economic zone and vaulting infrastructure, which will greatly benefit the gems and jewellery sector in southern India. Following the successful establishment of an IFSC unit outside GIFT City,

efforts will be made to create additional vaulting centres in locations such as Delhi and Kolkata.

Policy framework for enabling gold savings accounts and gold accumulation plans by Banks and NBFCs

Gold Savings Account – A New Financial Product envisaged by NITI Ayog

NITI Ayog report on Transforming India's Gold Market (February 2018) proposed a new financial product for gold as Gold Savings Account. It was mentioned in the report that a GSA may be opened by banks for their customers which will go beyond the scope of GMS deposit and allow investors and individuals. It was also mentioned that the GSA shall offer the opportunity to build up an investment in gold over a period of time by virtually saving in gold terms. In essence, the GSA is similar to any other savings interest-bearing deposit account held at a bank or another financial institution that provides an interest rate except that the deposit will be translated in physical gold held by the bank or the financial institution. When a customer deposits cash in his or her account, the bank will credit grams of gold. The price of gold will be based on the date on which the deposit is made. The GSA can be linked to a demat account which would enable the linkage of digital gold accounts across banks through the proposed Bullion exchange and its vaulting infrastructure. This is similar to the current linkage in stocks, where banks, demat accounts, stock exchanges and depositaries are linked in a transparent manner.

IFSCA aims to implement the proposal envisioned by NITI Aayog by establishing a policy framework that enables banks and finance companies in IFSC to link Gold Savings Accounts and Gold Accumulation Plans with the existing Bullion Depository Receipts framework. This framework is connected to the underlying gold stored in various IFSC vaulting locations that may be established across the country. The initiative targets Non-Resident Individuals, including High Net-Worth Individuals (HNIs), as well as institutions such as fund houses and Alternative Investment Funds (AIFs), etc.

Policy Framework for enabling Digital Gold and tokenisation of BDRs

As an extension of the Gold Savings Account, there is potential to allow Digital Gold FinTech firms to establish operations in GIFT IFSC. These firms could link their software and mobile applications to serve as user interfaces for purchasing gold through the app. Additionally, tokenization of Bullion Depository Receipts (BDRs) could be considered, given that the underlying assets of BDRs are physical gold and silver. This initiative may encourage FinTech firms to explore opportunities in GIFT IFSC for the operationalization of digital gold and tokenization linked to BDRs.

Constitution of an Expert Committee on positioning GIFT IFSC as Global Commodity Trading Hub

With a view to enable commodity trading in IFSC which will facilitate business integration of IFSC financial ecosystem with global trade flows, capitalize on integration opportunities with major commodity hubs and attract global investment flows into IFSC, thereby helping IFSC grow competitively, IFSCA shall be constituting an 'Expert Committee on positioning GIFT IFSC as Global Commodity Trading Hub' under the chairmanship of Shri Rajeev Kher, former Commerce Secretary. The Expert Committee is expected to submit its report by end-December 2024.



FINTECH //

In the last few years, India has shown its mettle in the FinTech space, the bright young Indian talent with expertise in IT and Finance have created cutting edge innovations in the field of Financial Technology and positioned India as a global frontrunner in the FinTech ecosystem.

GIFT IFSC is strategically positioned to propel the Indian FinTech ecosystem onto the global FinTech stage. To support the Indian FinTech firms & Start-ups to go global and develop IFSC as a global laboratory for developing next generation FinTech solutions, the Hon'ble Finance Minister in Union Budget 2021-22 announced "The Government would support the development of a world class Fin-Tech hub at the GIFTIFSC".

Towards this goal, IFSCA has released globally benchmarked "Framework for FinTech Entity in the IFSCs", which covers both FinTech and TechFin. Additionally, IFSCA launched FinTech Incentive Scheme, 2022, to encourage young FinTech innovators, the Scheme would support domestic FinTech firms wanting to go global, foreign FinTech firms who want to come to GIFT IFSC and domestic FinTech firms aiming to grow its Indian business or wanting to work on regulatory sandbox, Proof of Concept (PoC) etc. in IFSCs by providing various types of grants.

As of March 31, 2024, 20 entities have received Limited Use Authorization to be part of Innovation Sandbox, 16 entities in Regulatory Sandbox and 8 entities as Accelerators. Further, 8 entities have received Authorization to undertake business operations as TechFin till date. 11 Hackathons have been completed and IFSCA has received 131 applications from 14 jurisdictions under the FinTech Entity framework.

Hon'ble Prime Minister of India, while inaugurating the InFinity Forum 2.0 articulated the vision to establish GIFT City as the preeminent Global Nerve Centre for New Age Financial and Technology Services. Highlighting the accomplishments of IFSCA, including the release of a Progressive Regulatory Framework for FinTech in 2022 and the implementation of the FinTech Incentive Scheme, which supports both Indian and foreign FinTech ventures to foster innovation and entrepreneurship. He emphasized GIFT City's role as a Global FinTech hub and a pioneering FinTech Laboratory on the international stage.

Policy/ Regulatory Developments

Framework for FinTech Entity in the IFSCs

IFSCA issued a circular providing for a unique Framework for FinTech Entity in the IFSCs ("FE Framework") for FinTechs and TechFins on April 27, 2022.

The FE Framework provides for IFSCA FinTech Regulatory Sandbox and IFSCA FinTech Innovation Sandbox to test/develop FinTech Products/ solutions and empowers IFSCA to grant Limited Use Authorization (LUA) to eligible financial technology entity in GIFT IFSC. Further, it also enables some class/categories of technology companies having a deployable advanced/innovative technology solution which aids and assists activities in relation to financial products, financial services, financial institutions and, credible track record including financial performance, to obtain Direct Entry (Authorization by IFSCA).

The FE Framework also incorporates two additional mechanisms to support the FinTech Entities as detailed below:

Inter Operable Regulatory Sandbox (IoRS): IoRS is a proposed mechanism to facilitate testing of innovative hybrid financial products / services falling within the regulatory ambit of more than one financial sector regulators. IFSCA will facilitate Indian FinTech's seeking access to foreign markets and foreign FinTech's seeking entry into India.

Regulatory Referral Mechanism/FinTech Bridges: It shall be governed as per the provisions of the Memorandum of Understanding (MoU) or collaboration or special arrangement between IFSCA and corresponding overseas Regulator(s). Currently IFSCA has FinTech Bridge with Monetary Authority of Singapore which was executed by the way of MoU between the two regulators.

IFSCA FinTech Incentive Scheme, 2022

The IFSCA, with an overall objective to promote the establishment of a world-class FinTech Hub, at GIFT IFSC in India, launched the IFSCA (FinTech Incentive) Scheme for providing financial support to FinTech activities in the form of specific grant(s). The guidelines for implementation of the Scheme were issued on September 12, 2022.

Twelve applications have been recommended for Grants amounting to a total of ₹2.65 Crores by the Evaluation Committee (EC) under the Scheme in FY 2023-24.

Transaction/ Processes/ Operations/ Trends

IFSCA has received a total of 131 applications under the FinTech Entity Framework from 14 jurisdiction since its inception. The Authority received 65 applications in the FY 2023-24 from across 8 jurisdictions (India, USA, Mauritius, Singapore, Australia, UK, Hong Kong and UAE) under the FE Framework. A pictorial representation of the number of applications received under different categories is given below:



Figure 9 : Comparative Analysis of Applications in permissible areas under FE Framework for FY 2022-23 and FY 2023-24

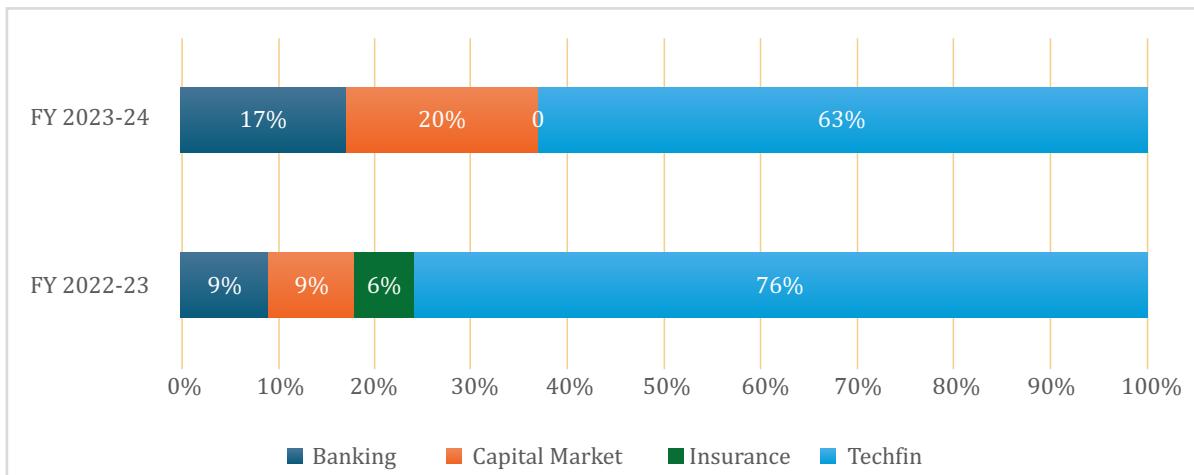
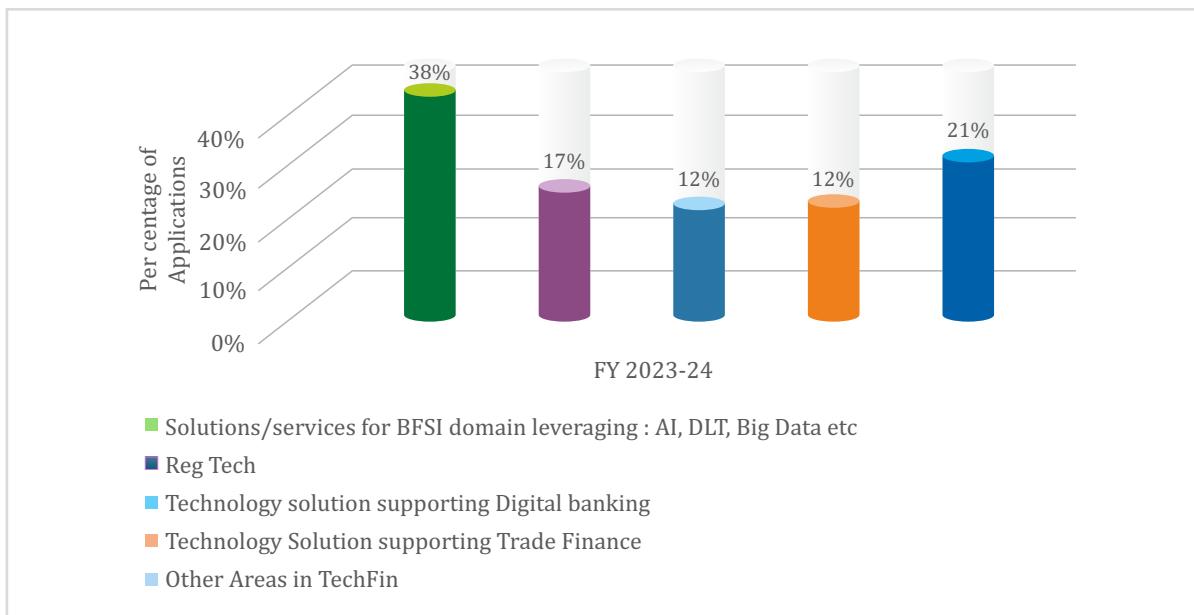
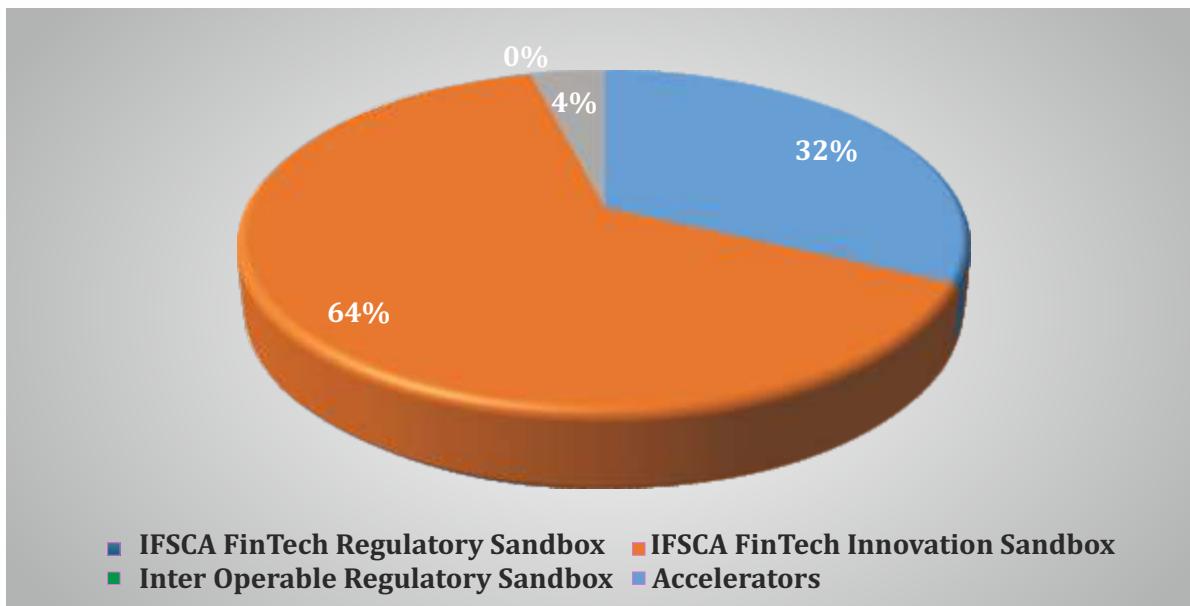


Figure 10 : Five Major emerging areas of Application in the TechFin category in FY 2023-24



IFSCA has granted 26 regulatory approvals in the financial year 2023-24 including 4 Authorizations and 22 LUAs. Further IFSCA has also referred an application to Monetary Authority of Singapore under Overseas Regulatory Referral Mechanism of the FE Framework. The Detailed breakup of the FinTech Entities who are granted LUAs is graphically represented below:

Figure 11 : FinTech Entities granted Limited Use Authorization under FE Framework for FY 2023-24



Advocacy and Outreach

Global Financial Innovation Network (GFIN)

IFSCA was elected as a member in the Coordination Group of GFIN in Annual General Meeting of GFIN held in Washington D.C from November 07-09, 2023. This may enable IFSCA to set the overall direction, strategy and annual work programme of the GFIN aligning with its objectives and contribute to the secretariat functions of GFIN.

IFSCA – IAIS Engagements

IFSCA joined the FinTech Forum of International Association of Insurance Supervisors (IAIS). The IAIS FinTech Forum is a virtual forum of technical experts from the IAIS' diverse membership that serves as a platform to share practical insights and experiences on FinTech-related developments influencing the insurance sector and global insurance supervisors.

MoUs with FinTech Hubs and Educational Institutions during the year

MoUs were signed with the following Domestic FinTech hubs, educational institutions and bodies to augment the FinTech ecosystem at GIFT IFSC:



Table 23 : MoUs with FinTech Hubs and Educational Institutions during FY 2023-24

Sr. No.	MoU signed with	Date
1	International Institute of Information Technology and IHub Data	April 28, 2023
2	Enterprise Incubation Centre, Indian Institute of Management Lucknow (IIML)	July 11, 2023
3	Pilani Innovation and Entrepreneurship Development Society (PIEDS), BITS PILANI	July 13, 2023
4	Kerala Start-Up Mission (KSUM)	July 21, 2023
5	Foundation for Innovation & Research in Science &Technology (FIRST), Indian Institute of Technology (IIT) Kanpur	August 9, 2023
6	Software Technology Parks of India (STPI)	December 08, 2023
7	Ahmedabad University (AU)	December 08, 2023



Image 11 : (Clockwise from top left) IFSCA signing MoU with Ahmedabad University, KSUM, STPI, PIEDS, FIRST, Enterprise Incubation Centre

InFinity Forum (IF) 2.0

InFinity Forum is the IFSCA's flagship financial technology event, uniting the world's leading minds in policy, business, and technology to explore and advance the biggest ideas in Finance & Technology, and to develop those ideas into global solutions and opportunities.



Image 12 : Hon'ble Prime Minister of India inaugurating the InFinity Forum 2.0

The Second edition of InFinity Forum 2.0 themed “GIFT IFSC - Nerve Centre for New Age Global Financial Services” was held on December 9, 2023. The event was inaugurated virtually by Hon'ble Prime Minister, Shri Narendra Modi through Video Conference.

IF 2.0 had the distinct honour of hosting several influential leaders like Shri Bhupendra Patel, Hon'ble Chief Minister of Gujarat, Shri Piyush Goyal, Hon'ble Union Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, and Shri Ashwini Vaishnaw, Hon'ble Minister for Railways, Communications, Electronics and Information Technology and other industry leaders each contributing their unique perspectives to the discourse on future of international financial services.

Primarily focused on three tracks - Plenary, Green and Silver, the InFinity Forum 2.0 catalysed pivotal discussions, facilitated a captivating exchange of ideas and discussions by luminaries from the global financial sector, fostering thought provoking conversations and paving the way for innovative solutions and opportunities.



FinTech Investors Meet 2023

IFSCA organised an Investors Meet on December 8, 2023, as a prelude to the InInfinity Forum 2.0. The main objective of the Investors Meet was to connect selected FinTech entities and chosen investors, paving way for symbiotic collaborations and investment opportunities.



Image 13 : Investors Meet 2023 in GIFT City

The event commenced with pitches delivered by curated FinTech entities, succeeded by one-on-one discussions between the shortlisted entities and investors. Subsequently, a panel discussion featuring investors was held, followed by an interactive session involving FinTech entities, investors, IFSCA, and GIFT City representatives.

The event saw participation from prominent investment firms like Beam FinTech Fund, Peak XV, Matrix Partners India, EPIC Investment, Elevation Capital, GVFL, Venture Catalyst, 3one4 capital, White Ventures, TVS capital.

I-Sprint'23

In continuation to I-Sprint' 22, Global Hackathons (named I-Sprints'23) were conducted in partnership with various organizations to promote innovation. A total of six Sprints (Sprint 8, 9, 10, 11, 12, 13) were held in which 600+ applications were received as of March 2024.

Participation in Global FinTech Fest (GFF) 2023

The GFF 2023 was held at Jio World Centre, Mumbai was organised by FinTech Convergence Council, Payment Council of India (PCI) and National Payments Corporation of India (NPCI) on September 05-07, 2023.

IFSCA participated in the GFF 2023 in the following ways:

- (i) Chairperson, IFSCA delivered a keynote address on "Transforming International FinTech Landscape through Innovation and Responsible Global Collaboration".

- (ii) Closed door session “Meet the Regulator” with recognised domestic and international FinTech firms.
- (iii) Panel discussion by 4 Authorised FinTech Entities and 1 IBU on the topic “My GIFT Journey” to share their experiences in GIFT IFSC.
- (iv) IFSCA set up a booth in GFF 2023 as part of the outreach activities



Image 14 : Global FinTech Festival 2023 in Mumbai



Image 15 : IFSCA Booth in Global FinTech Festival 2023



FinTech Founders Meet

IFSCA organised a FinTech Founders Meet in association with Internet and Mobile Association of India (IAMAI) in Bengaluru on February 03, 2024. Chairperson, IFSCA interacted with FinTech Founders at Bengaluru on February 03, 2024, and encouraged them to explore the various possibilities and opportunities at GIFT IFSC.



Image 16: IFSCA with participants of FinTech Founders Meet in Bangalore

Virtual RoundTable on Data Centre

IFSCA in association with Associated Chambers of Commerce & Industry of India (ASSOCHAM) and National Association of Software and Service Companies (NASSCOM) organised a virtual roundtable on data centre on February 22, 2024, envisioning to deliberate on the scope of Data Centre related activities in GIFT IFSC. The discussion largely focussed on the experiences and feedback from the industry participants for making GIFT IFSC more attractive location for Data Centres.

Participation in FinTech Festival India 2024

The FinTech Festival of India 2024 was held in Yashobhoomi, Dwaraka, New Delhi from 06-08 March 2024. IFSCA participated in the FinTech Festival India 2024 and interacted with the relevant FinTech Entities.

Other International Engagements

Inclusive FinTech Forum (IFF) 2023

The First edition of Inclusive FinTech Forum (2023), organised by Kigali international Financial Centre and Elevandi, was held in Kigali, Rwanda from June 20 to 23, 2023.

IFSCA participated in the Roundtable at IFF 2023 on the invitation from Monetary Authority of Singapore (MAS) and Elevandi on the theme “Bridging the Gap: AI Governance in Banking – From Principles to Practice”.

IFSCA organised a master class on the theme “GIFT IFSC – Landing pad for foreign FinTechs, TechFins and Accelerators to the India market” during IFF 2023.

Roundtable Interaction with FinTech Associations / Firms in Australia

IFSCA convened a roundtable dialogue with FinTech firms and associations from Australia in Sydney, Australia, on August 28, 2023. The objective of this engagement was to facilitate the exchange of information regarding the diverse initiatives undertaken by IFSCA within the FinTech domain, thereby promoting collaborations and partnerships between IFSCA and stakeholders in Australian FinTech ecosystem.

IFSCA participated in the panel discussion themed “Opportunities and Challenges in Emerging FinTech Markets” in Intersekt’ 23, FinTech Conference organised by FinTech Australia, followed by an interaction with FinTechs.



Image 17: IFSCA participating in the panel discussion in Intersekt’ 23

Singapore FinTech Festival (SFF) 2023

The 8th edition of the SFF was held in Singapore from November 15 to November 17, 2023.

An IFSCA booth was set up to promote the visibility of its pioneering FinTech initiatives like FinTech Entity Framework, FinTech Incentive Scheme, FinTech Bridges, etc.

Chairperson, IFSCA participated in the panel discussion as distinguished on “Creating Inclusive Policy Frameworks” and emphasized on the need for the calibration of the mindset of the regulators to maximize the gain emerging out of adoption of the technology.

IFSCA participated in the Roundtable organised in SFF 2023 themed “Bridging the Gap: AI Governance in Banking – From Principles to Practice”

Further, IFSCA organised a regulatory master class in SFF 2023 to disseminate information about the GIFT IFSC.



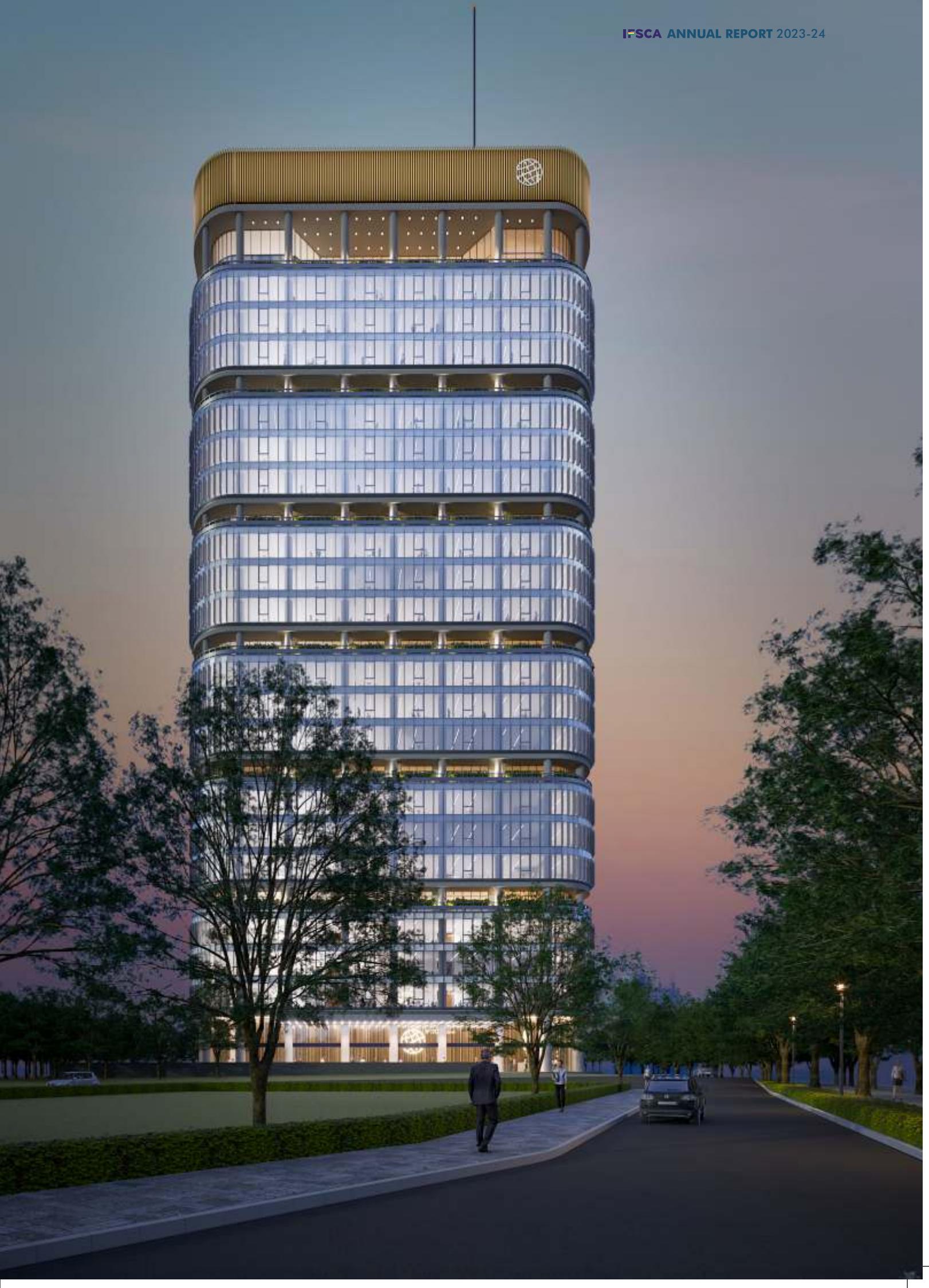
Image 18 : Chairperson, IFSCA at Singapore FinTech Festival 2023

IFSCA – Japan Engagements

IFSCA virtually addressed the FinTech event “India - Japan: Powering the FinTech Story”, organised by the Embassy of India, Tokyo on January 16, 2024. Shri K. Rajaraman, Chairperson, IFSCA, during his address in the event, highlighted on India being a bright spot in the volatile global economy, unique features of GIFT IFSC and how it is driving the vision of Hon'ble PM for Viksit Bharat in 2047.

Further, a presentation was delivered to the participants outlining the facilities available for FinTech Entities in GIFT IFSC.

The event witnessed speakers from Department of Economic Affairs (Ministry of Finance, Government of India), Japan Financial Services Agency, Fincity Tokyo, MUFG Bank and was also attended by Japanese FinTechs and BFSI entities.





INSURANCE //

Insurance business is one of the most important segments of IFSC for developing the essential ecosystem of a financial market and providing insurance solutions to a global clientele.

IFSCA has enacted a world class and comprehensive regulatory framework for the insurers, reinsurers, and insurance intermediaries in IFSC focusing on ease of doing business. These regulations cover the aspects relating to registration of insurance business, manner of receipt of premium, designing of insurance products, investment of assets, preparation and presentation of financial statements, appointment and duties of appointed actuary, maintenance of information and records for inspection and investigation, inward and outward reinsurance operations, solvency margin etc.

While the growth in the domestic insurance market will enhance insurance inclusion and enable building large pools for Indian insurers, it also necessitates developing reinsurance capacities. GIFT IFSC, with its incentives and regulatory support, is well-positioned to develop these capacities for both Indian and global markets. Additionally, the global Indian diaspora offers significant opportunities for insurance entities to provide tailored health, life, and travel insurance products by establishing operations in GIFT IFSC.

Currently, the insurance ecosystem in IFSC comprises of 35 entities, including 12 IIOs (IFSC Insurance Offices) and 23 IIIOs (IFSC Insurance Intermediary Offices). The total (Re)insurance premium booked by IIOs is USD 360 Mn and the total (Re)insurance premium transacted by IIIOs is USD 918 Mn, up to March 2024.

Policy/ Regulatory Developments

To enable the rapid growth of insurance and re-insurance sector in GIFT IFSC, IFSCA has created a favourable regulatory environment. With thirteen regulations already in place canvassing most of the regulatory space, IFSCA has adopted a principles-based approach, in line with global best practices. In the FY 2023-24, the following regulations were notified:

IFSCA (Re-insurance) Regulations, 2023

The regulations provide framework on oversight and control of inward and outward arrangement of re-insurance business by the IIOs. The regulations require Board approved policy on Re-insurance Strategy and Re-insurance Program (RSRP).

As per IRDAI's framework, released in August 2023, IIOs at GIFT IFSC are placed in Category-2, i.e. at par with Foreign Re-insurance Branches (FRBs) in the Order of Preference, subject to certain investment conditions. This marks a significant milestone since it would further enhance the prospects of GIFT IFSC to become a Global Reinsurance Hub.

IFSCA (Assets, Liabilities, Solvency Margin and Abstract of Actuarial Report for Life Insurance Business) Regulations, 2023

The regulations aim to specify the requirements related to capital, solvency, and submission of abstract of actuarial report by an IIO, who are permitted to transact Life Insurance Business.

IFSCA (Assets, Liabilities, and Solvency Margin of General, Health and Re-insurance business) Regulations, 2023

The regulations aim to specify the requirements related to capital, solvency, and submission of abstract of actuarial report by an IIO, who are permitted to transact General, Health and Re-insurance business.

IFSCA (Management Control, Administrative Control and Market Conduct of insurance business) Regulations, 2023

The regulations aim to put in place the regulatory framework related to Management Control, Administrative Control and Market Conduct of insurance business carried out by an IIO or IIIO.

Amendment to IFSCA (Investment by IIO) Regulations, 2022

Considering the significance of investment income for insurers and re-insurers, IFSCA in accordance with Section 27 of the Insurance Act, 1938, had notified IFSCA (Investments by IIO) Regulations, 2022 on January 12, 2023. Subsequently, IRDAI on August 22, 2023, had notified amendment to its Re-insurance Regulations, 2018. These regulations place IIO at par with Foreign Reinsurer Branch in Category 2 of Order of Preference subject to certain conditions on investments to be made in Domestic Tariff Area (DTA) in India.

Based on the above amendment by the IRDAI, IFSCA had carried out suitable modifications to IFSCA (Investment by IIO) Regulations, 2022 and a consolidated version of the updated amended regulations has been made available on the website of the Authority.

Public consultation on various operational guidelines for IIOs

In December 2023, IFSCA placed following consultation papers for public consultation on its website:

- (i) Consultation paper on proposed Guidelines on IFSCA (Assets, Liabilities, and Solvency Margin of General, Health and Re-insurance business) Regulations, 2023
- (ii) Consultation paper on proposed Guidelines on IFSCA (Assets, Liabilities, and Solvency Margin of Life insurance business) Regulations, 2023

These guidelines provide reporting formats pertaining to requirements towards maintenance of capital and solvency margins for transacting insurance business by IIOs.

Working Group / Committee

The extant IFSCA regulatory framework recognizes alternate risk transfer (ART) arrangements in the Re-insurance contract, subject to adherence with risk transfer requirements in such ART and accounting treatments for such transactions.



On this matter the IFSCA has constituted a working group in March 2023 to study international best practices on Insurance Linked Securities (ILS), Catastrophe Bonds (CAT Bonds) etc. The members of the working group have experience from global jurisdictions including but not limited to UK, USA, EU, Bermuda, Japan, Singapore, Australia etc. and have expertise in CAT bonds, ILS, reinsurance sidecars, industry loss warranties and weather derivative contracts.

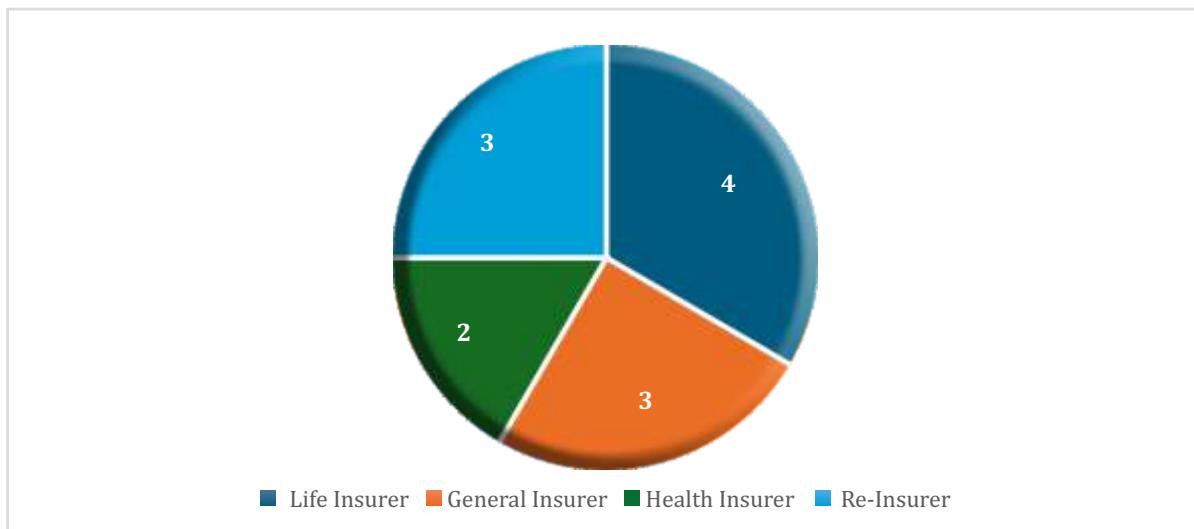
The objective behind the creation of the working group is to advise IFSCA in structuring ART along with study of the regulatory framework / process in other jurisdictions and formalize draft of operational guidelines for ART. It will also help IFSCA to examine the offer of ART solutions within India and International jurisdictions and frame suitable accounting and supervision standards on par with best global practices for such ART contracts.

Transaction/ Processes/ Operations/ Trends

Registration of entities

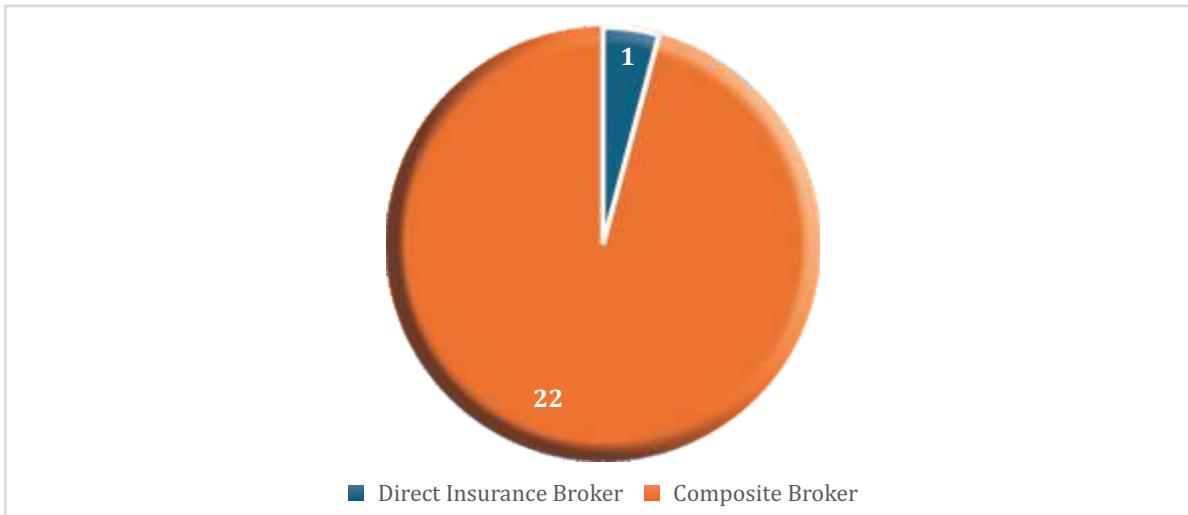
The insurance sector in GIFT IFSC has got a major fillip since the IFSCA took various initiatives both in regulatory as well as developmental parlance with support from Government. Total number of IIOs registered with GIFT IFSC have doubled since the previous financial year from 6 to 12. Following Figure represents the classification of IIOs in IFSC:

Figure 12 : Classification of IIOs



It is noteworthy that out of 6 new IIOs registered in FY 2023-24, 3 of them are from life insurance sector, 2 are from health insurance sector and 1 foreign re-insurer. Further, registration for 3 life insurance companies is under process. The numbers primarily show an increasing interest among the life insurance companies to tap the needs of life insurance products for the Indian diaspora. This would further enable GIFT IFSC to become a gateway to life insurance for Indian diaspora.

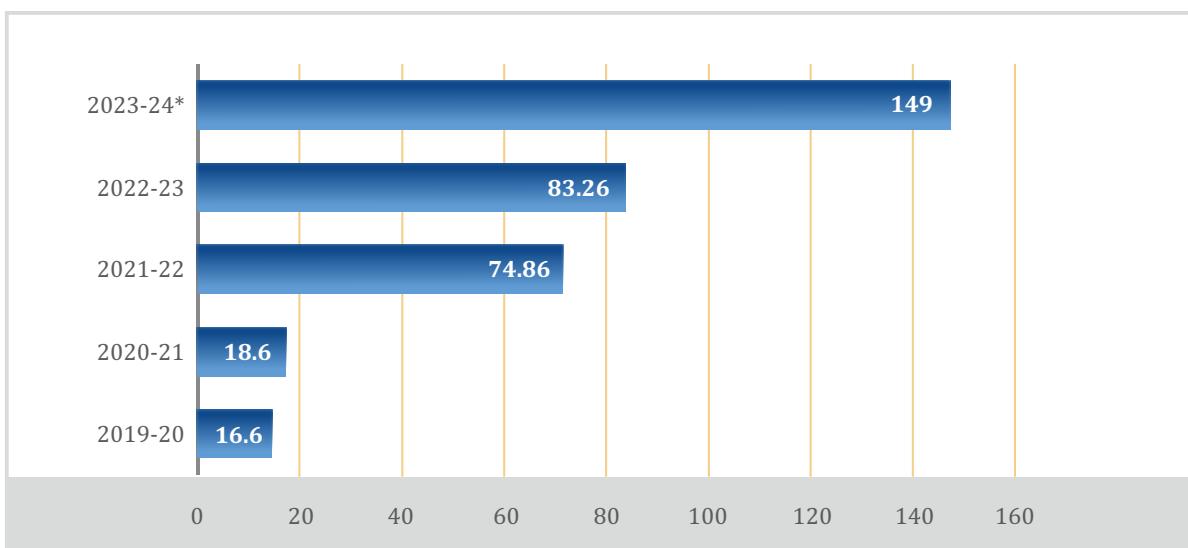
Further, on the side of IIIOs, IFSCA gave registration to 6 insurance intermediaries in FY 2023-24, raising the total number of registered IIIOs to 23. Following Figure represents the classification of IIIOs in IFSC:

Figure 13 : Classification of IIOs

Business Transactions at the IFSC

IFSC Insurance Office (IIO)

In the FY 2023-24, the IIOs had booked premium of USD 149 Mn as against of USD 83 Mn in FY 2022-23. The Financial year wise business underwritten by the IIOs for previous 5 years is as under:

Figure 14 : Business underwritten by IIOs (USD Mn)

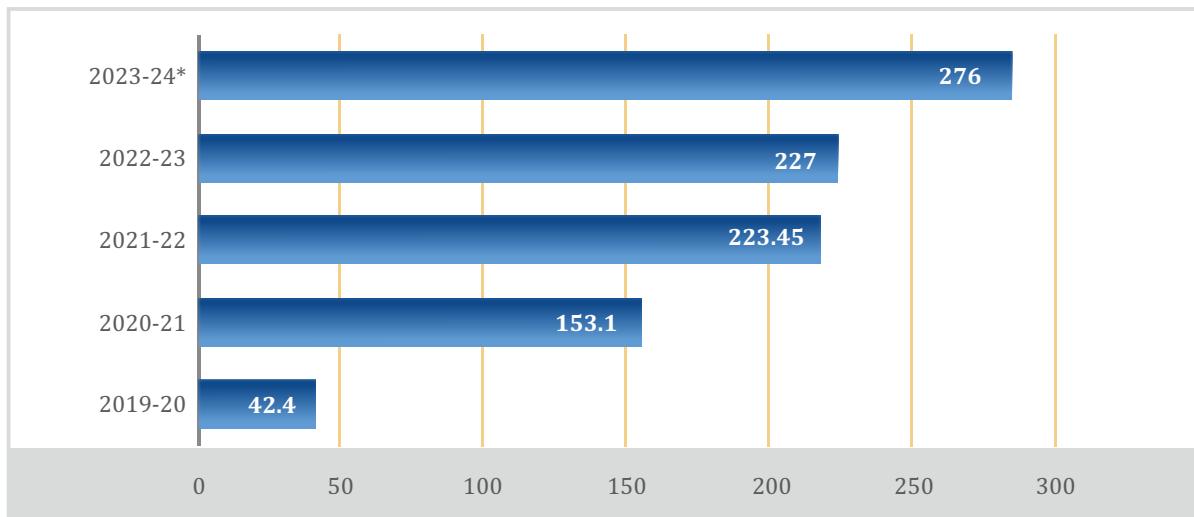
* Data for FY 2023-24 is Provisional

IFSC Insurance Intermediary Office (IIIIO)

In the FY 2023-24, the IIIIOs had transacted (re)insurance premium of USD 276 Mn as against of USD 227 Mn in FY 2022-23. The Financial year wise transactions of IIIIOs for previous 5 years is as under:



Figure 15 : Business transacted by IIIOs (USD Mn)



Advocacy and Outreach

Meetings with Insurance/ Re-insurance companies (Tokyo, Japan)

A delegation led by Shri K. Rajaraman, Chairperson, IFSCA visited Tokyo, Japan in the second week of November 2023. During the visit, the delegation held meetings with various insurance/ re-insurance companies. Detailed discussions were held on the specific enablers provided for Insurance Business, covering IFSCA's principle based regulatory framework on (re)insurance business, which is at par with global standards, promoting ease of doing business and business opportunities in the GIFT IFSC.

IAIS AGM 2023

The delegation also attended the IAIS Annual General Meeting Conference (AGM) 2023 on the theme "Mind the gap: the role of supervisors in making the global insurance sector more inclusive". The conference provided an opportunity for updates on the delivery of the IAIS' Roadmap and plans for the Association's future work.

MMoU with IAIS

The major highlight of the Tokyo visit was the signing of Multilateral Memorandum of Understanding (MMoU) with IAIS. The IAIS MMoU provides a global framework of compliance and confidentiality to allow for open cooperation and exchange between insurance supervisors. To become a signatory to the MMoU, applicants undergo a rigorous assessment of their professional secrecy regimes, conducted by an independent team of IAIS members. Through membership in the MMoU, supervisors can exchange relevant information and assist other signatories, thereby promoting the financial stability and sound supervision of cross-border insurance operations for the benefit and protection of consumers. The IFSCA is 85th signatory to the IAIS MMoU. The signing of this MMoU enables IFSCA to exchange relevant information with other signatory jurisdictions.



Image 19 : Dignitaries from IAIS and IFSCA during the signing of MMoU

Meeting with FSA, Japan

During visit to Japan, Mr. Miyoshi, Vice Commissioner, Financial Services Authority (FSA), Japan, welcomed the IFSCA delegation. Chairperson, IFSCA briefly mentioned the vision behind IFSC at GIFT City and various financial services businesses enabled in the IFSC. The delegation also participated in Japanese Financial Services Authority's (JFSA) High-Level Dialogue on the role of insurance in building a resilient society, exploring how insurers and the public sector can contribute to shaping a sustainable society for future generations, through collaborative and coordinated actions. Further, the matter of entering into bilateral MoU between IFSCA and JFSA was discussed.

Participation in Roadshow on Insurance organised by IRDAI



During IFSCA's delegation visit to Tokyo, the IRDAI had organised Roadshow for the Japanese insurers at Vivekananda Cultural Centre, Embassy of India at Tokyo, Japan. In the said roadshow, presentations were made by Chairperson, IFSCA and Chairman, IRDAI on the opportunities provided by GIFT IFSC and the Insurance business in India for the Japanese investors and collaboration with Indian Insurance business.

Image 20 : Chairperson, IFSCA, during Insurance Roadshow at Tokyo, Japan

Participation in 19th Singapore International Reinsurance Conference (SIRC)

IFSCA participated in 19th SIRC held during October 29 to November 03, 2023. The Conference had participation from around 2000+ delegates from 60 countries. During the tour, meetings were



held to discuss the GIFT IFSC Insurance proposition with global reinsurers. The participation featured meeting with various stakeholders, insurance/re-insurance companies.

During the course of these meetings, many pertinent topics were discussed like Managing General Agents (MGAs), detailed presentation on the IFSC Insurance eco-system and enablers, emerging avenues for CBRs in IFSC, ILS, CAT bonds, captive insurance, development of segregated cell structures, Order of Preference as specified by Indian domestic regulator.

IFSCA-IRDAI GIFT IFSC Global Reinsurance Summit

Hon'ble Union Minister of Finance and Corporate Affairs had suggested IFSCA and IRDAI to jointly hold an event on the topic of Reinsurance with an aim to interact with the global reinsurers and develop GIFT IFSC as the Global Hub for Reinsurance. As a result, IFSCA, IRDAI and GIFT City with the support of Department of Financial Services (DFS), Ministry of Finance organised the "IFSCA-IRDAI GIFT IFSC Global Reinsurance Summit, 2023", on November 30, 2023, in Mumbai.



Image 21 : Dignitaries during the inaugural session "Vision Track". Dignitaries (Left to Right): Mr. P. K. Arora, WTM, IRDAI; Dr. Vivek Joshi, Secretary, DFS; Dr. Hasmukh Adhia, Chairman, GIFT City; Mr. Debashish Panda, Chairman, IRDAI; Mr. K. Rajaraman, Chairperson, IFSCA; Mr. Praveen Trivedi, ED, IFSCA

The objective of the Summit was inter-alia to bring all the stakeholders on a common platform and share with them the opportunities available in the GIFT IFSC and to find ways to make it a reinsurance hub. The Summit was also intended to create awareness of the principle-based regulatory system adopted by the regulator and to facilitate and handhold setting up of (Re)insurance businesses in the GIFT IFSC.

The Summit was attended by over 200 delegates and speakers, including top cross-border reinsurers, Indian insurers and reinsurers including Foreign Reinsurance Branches, insurance brokers, consultancy firms, lawyers, industry associations, and academic institutions. Presentations covered opportunities for insurance and reinsurance business at GIFT IFSC, the business ecosystem, regulatory regime, efforts to promote ease of doing business, opportunities for global reinsurers, and the unique features of GIFT IFSC such as forex, dedicated regulator, and tax regime.

Two panel discussions and two fire side chats were also held featuring eminent speakers and panellists from life, non-life and reinsurance segments of the industry. The themes of the panel discussions were 'To develop India as Re-Insurance Hub' and 'IFSC: The Gateway to Life Insurance for Indian Diaspora' respectively. While the first fireside chat on "Unique opportunities in an integrated jurisdiction" was held with Ms. Alice G. Vaidyan, Ex-CMD GIC; the second fireside chat, on "Lloyds in the Special Economic Zones", was held with Mr. Shankar Garigiparthi, CEO & Country Manager, Lloyd's India.



Image 22: Panel Discussion on "To develop India as Re-insurance Hub". Dignitaries (Left to Right): Mr. Hitesh Kotak, CEO, Munich RE India Branch; Ms. Girija Subramanian, CMD, AICIL; Mr. Tapan Singhel, CEO, Bajaj Allianz General Insurance Co.; Mr. Arun Soundarajan, Country Head, Atradius India; Ms. T.L. Alamelu, Principal Advisor, IFSCA

Parallelly, one-to-one meetings were organised between selective invitees which were attended by Dr. Hasmukh Adhia, Mr. Debashish Panda, Mr. K. Rajaraman, Mr. P. K. Arora, Mr. Praveen Trivedi, and Ms. T.L. Alamelu. Multitude of topics were taken up during these personal interactions like advantages of GIFT IFSC including tax benefits, access to Indian market, Order of Preference, Ease of Doing Business, etc.

Policies and programs for the Following Year

New segments of Insurance Industry in IFSC

In order to shape its vision of onshoring the offshore business in GIFT IFSC, the IFSCA aspires to bring in globally renowned practices by onboarding concepts of Captive Insurance companies and Mutual insurance companies. This will not only provide for fostering the growth of newer segments of insurance industry in IFSC, but also provide greater financial flexibility and protection to the entities and develop greater insurance/ re-insurance capacities.

To nurture these emerging avenues, the IFSCA has recommended for amendments in the Insurance Act, 1938 for enabling registration of Captive and Mutual insurance companies. Upon amendment in the Insurance Act, IFSCA plans to bring in suitable regulatory and supervisory frameworks in the forthcoming year.



GLOBAL IN-HOUSE CENTRES //

In the last two decades, India has emerged as a leading hub for Global In-house Centres (GICs) owing to its inherent strengths such as availability of highly skilled talent pool and competitive cost of operations. Essentially, GICs are offshore centres that perform designated in-house functions for large corporates and organizations. Over the years, GICs have started playing a strategic role at global level and have evolved as innovation centres offering advanced services in areas such as analytics, risk management, fraud prevention, etc.

To enable the GIC business in GIFT IFSC, the Central Government notified GICs as a financial service under the IFSCA Act, 2019 to provide services relating to financial products and financial services. Subsequently, IFSCA notified the Global In-House Centres Regulations, 2020 which permitted entities belonging to any financial services group to set up a GIC in the IFSC. There are multiple institutions that have established GICs in the GIFT IFSC.

The establishment of IFSCA has significantly increased the number of financial sector entities relocating to IFSC in GIFT City. It has also streamlined the process of obtaining approval and licenses for operations within IFSC. This relocation would allow them to establish an entity under the jurisdiction of a unified regulator, providing the flexibility to offer services that align with their strategic goals and business objectives. Additionally, the tax incentives and exemption from FEMA regulations would offer these entities greater regulatory independence.

Several institutions have already set up GICs within GIFT IFSC, collectively employing over 2600 individuals. Major MNCs from the financial sector, including renowned banks like Bank of America, auditing and assurance service providers, and securities and capital market firms, have established their GICs in GIFT IFSC.

Advocacy and Outreach

IFSCA has been proactively involved in industry engagement and has forged collaborations with government agencies and GIFT City authorities. Consistent efforts have been directed towards furnishing the requisite infrastructure essential for accommodating large corporations. Significant progress has been achieved within GIFT IFSC, particularly in areas such as office space provision, transportation facilities, recreational amenities, and more.

Roundtable discussions with leading Global Capability Centres in India Chaired by Hon'ble Finance Minister of India

In the presence of Hon'ble Finance Minister, roundtable discussions with the leaders of prominent BFSI Global Capability Centres and other stakeholders such as NASSCOM, GIFT City etc. was organized on January 23, 2024, at New Delhi. During the discussion, leaders of leading BFSI MNC GICs were apprised about the opportunities in GIFT IFSC and views were solicited on enablers required to develop GIFT IFSC as a GIC hub. Chairman, GIFT City, Chairperson, IFSCA, NASSCOM leadership and leaders from more than 20 leading BFSI MNCs participated in the summit.

Global Capability Centres CXO Meet in Mumbai

Executive Director, IFSCA addressed the participants in Global Capability Centres CXO Meet organized by the ICICI Bank on August 17, 2023. While appraising the participants about the growth and opportunities of GICs at IFSC, Executive Director, IFSCA also emphasized the importance of tapping on the vast talent pool and availing of the fiscal and non-fiscal incentives offered by both central and state governments.



Image 23 : Shri Dipesh Shah, ED, IFSCA addressing in GCC (CXO Meet)

IFSCA address in the GCC Summit in Bengaluru

Chief General Manager, IFSCA addressed the gathering in GCC X Summit organised by the 3AI on July 21, 2023, at Bangalore. CGM, IFSCA appraised them about the opportunities in Global Inhouse Centres at GIFT IFSC.

IFSCA address in Summit on “Opportunities for GCCs in the GIFT City” in Bengaluru

Executive Director, IFSCA delivered a keynote address at the “Opportunities for GCCs in the GIFT City” – an event organised by the HSBC Bank on July 28, 2023, at Bangalore. CGM, IFSCA participated in the panel discussion and expressed his views about the benefits to BFSI GCCs to establish in IFSC.

Policies and Programs for the following year

Review of IFSCA (Global In-house Centres) Regulations, 2020

IFSCA has received suggestion on various provisions related to transfer of manpower and service receipt. Based on the suggested received, the regulations will be reviewed to incorporate appropriate changes.

Increasing awareness about GIC ecosystem in GIFT IFSC

In close partnership with the Government of Gujarat, awareness campaigns and branding events will be organized to highlight GIFT IFSC as a premier destination for GICs in the country. To expand outreach and engage with potential investors, physical roadshows will be conducted across various prominent Indian cities that have already established themselves as leaders in the GIC sector. These coordinated endeavours aim to position GIFT IFSC as the preferred choice for GICs, leveraging its robust ecosystem and strategic advantages.



SUSTAINABLE FINANCE //

Hon'ble Prime Minister of India, in Conference of Parties 26 (COP26) summit, announced 'Panchamrits' as an unprecedented contribution of India to climate action. He said that India will aim to achieve net-zero emissions by 2070. India will require a funding to the tune of USD 10 trillion to meet the net-zero transition by 2070.

IFSCA has opened following three tracks for Sustainable Finance

- (a) Lending by IFSC Banking Units and Finance Companies/Units in IFSC under Guidance Framework for Sustainable and Sustainability linked lending*
- (b) Separate Regulatory Framework for Listing of ESG labelled Debt securities under IFSCA (Issuance and Listing of Securities) Regulations*
- (c) Enablement of launch of sustainability focused investment funds in IFSC (ESG Funds)*

Policy/ Regulatory Development

The vision of the Hon'ble Prime Minister and the Government of India is to make GIFT IFSC, the global hub for sustainable finance. IFSCA, as a unified regulator for GIFT IFSC, is working with a vision to achieve these objectives. In the past 3 years, IFSCA has taken significant steps in accelerating global sustainable capital flows by creating a conducive regulatory environment, inspired by international best practices but focused especially on the needs of developing countries.

The Authority has taken various regulatory and policy initiatives to mobilise finance towards green and sustainable projects, including the following:

- (i) Guidance Framework for Sustainable and Sustainability linked lending by Financial Institutions
- (ii) Sustainability Disclosures by Fund Management Entities
- (iii) Framework for ESG Schemes
- (iv) Separate regulatory framework for ESG labelled debt securities in IFSCA (Issuance and Listing of Securities) Regulations

Transaction/Processes/Operations/Trends

Debt Securities

As on March 31, 2024, USD 12.3 Bn ESG labelled debt securities have been listed on the IFSC exchanges and total listing of debt securities on IFSC exchanges stands at USD 56.6 Bn.

REC Limited listed its inaugural JPY 61.1 Bn 5-year, 5.25-year, and 10-year green bonds, issued under its USD 10 Bn Global Medium Term Notes Programme, on IFSC exchanges in January 2024. It is the largest ever Euro-Yen issuance in South and Southeast Asia, the largest Yen-denominated issuance from India, and the largest non-sovereign Yen-denominated issuance ever from South and Southeast Asia.

Table 24 : Listing of debt securities at IFSC Exchanges (In USD Bn)

Particulars	As on Dec 31, 2023	As on Mar 31, 2024
Cumulative debt listings	52.97	56.5
Cumulative ESG labelled debt listing	10.43	12.3

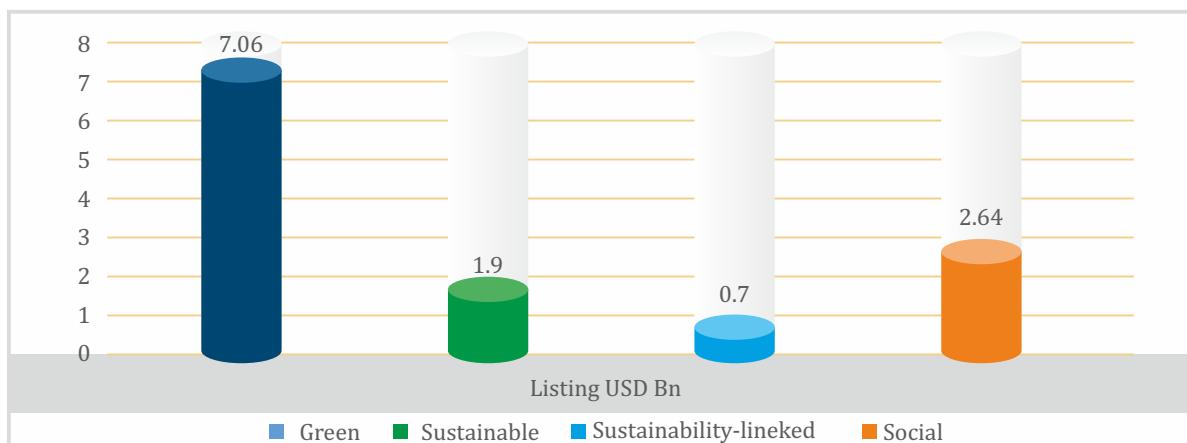
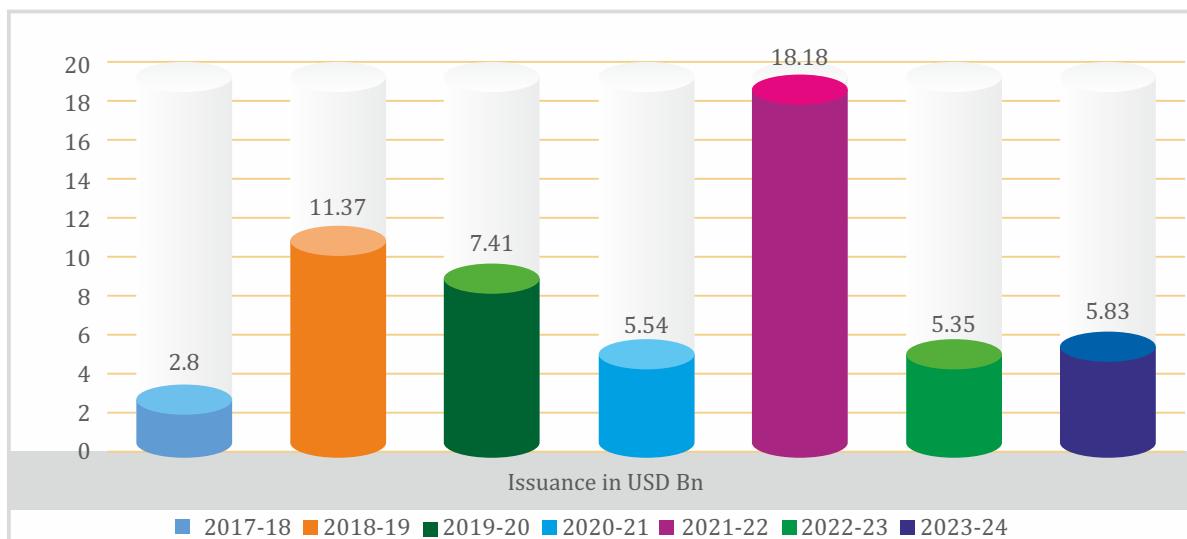
Figure 16 : Listing of ESG Debt securities as of March 31, 2024 (In USD Bn)**Figure 17 : Listing of Debt securities as of March 31, 2024 (In USD Bn)**



Table 25 : Debt listing in FY 2023-24

Name of the issuer	Listing Date	Issued Currency	Amount of issuance in issued currency (in Mn)	Label
State bank of India	1-1-2024	USD	250.00	Green
State bank of India	18-1-2024	USD	600.00	-
NeoGrowth Credit Private Limited	19-1-2024	Euro	4.00	-
REC Limited	22-1-2024	JPY	27,400.00	Green
REC Limited	22-1-2024	JPY	31,000.00	Green
REC Limited	22-1-2024	JPY	2700.00	Green
Shriram Finance Limited	25-1-2024	USD	750.00	Social
HDFC Bank Limited	16-2-2024	USD	300.00	Sustainable
HDFC Bank Limited	16-2-2024	USD	450.00	-
IRB Infrastructure Developers Limited	13-3-2024	USD	540.00	-
Aviom India Housing Finance Private Limited	13-3-2024	USD	5.00	-
Adani Green Energy (UP) Limited, Parampujya Solar Energy Private Limited and Prayatna Developers Private Limited	13-3-2024	USD	409.00	Green
Aye Finance Private Limited	21-3-2024	USD	11.50	-

It is observed that in the FY 2023-24, due to global macroeconomic situation, Indian corporates have majorly raised capital through bond market domestically. Because of that, the year has witnessed drastic reduction in foreign currency debt issuances by Indian corporates.

Loans

The IFSCA has issued a “Guidance Framework for Sustainable and Sustainability linked lending by Financial Institutions” on April 26, 2022, to promote sustainable lending by IBUs and FCs. The banking units are also mandated to allocate at least 5% of their loans towards green, or sustainable sectors/ facilities, starting from April 01, 2023. In the first year of implementation of this framework, IBUs in IFSC has undertaken approximately USD 1.56 Bn of sustainable lending transactions. Details of which are as follows.

Table 26 : Overall Sustainable Financing by IBUs

Classification	Cumulative in FY 2023-24 (USD Mn)
Green	436.31
Social	577.09
Sustainable	245.80
Sustainability Linked	279.39
Others	23.75
Total	1562.34

Table 27 : Sector-wise classification of Sustainable Financing by IBUs

Sector (List is Indicative)	During FY 2023-24	
	Amount (USD Mn)	Total No. of Transactions
Renewable Energy	419.83	368
Pollution Prevention and Control	141.67	2
Sustainable Water and Wastewater Management	0.00	0
Clean Transportation	70.78	8
Green Buildings	1.50	1
Affordable Basic Infrastructure	57.74	2
Affordable Housing	9.46	12
Food Security and Sustainable Food Systems	11.76	16
Health Care	52.01	48
Social Education	7.00	2
Others	790.59	828
Total	1562.33	1287

Funds

With the objective to promote ESG funds and drive capital flows towards green and sustainable projects in India, IFSCA has issued the regulatory framework for ESG Funds covering requirements relating to initial and periodic disclosures, ongoing monitoring, and performance evaluation. The framework enabled the registration of the first ESG engagement fund at IFSC. The significant growth of fund ecosystem at IFSC, in the last financial year, presents a huge opportunity for ESG Funds at IFSC.



Advocacy and outreach

MoU with Climate Policy Initiative - India (CPI)

IFSCA and CPI have signed an MoU on July 06, 2023, for mutual assistance and cooperation to increase mobilization of global sustainable capital flows into India. Mobilization of green/sustainable/climate finance is critical to achieve transition to green and resilient economies.

IFSCA has taken significant steps in accelerating global sustainable capital flows by creating a conducive regulatory environment, based on international best practices, focused especially on the needs of India, and other developing countries. CPI's mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change. It is against this backdrop that IFSCA and CPI are collaborating through a wide-ranging MoU, which includes research and joint convenings in the field of sustainable finance.

IFSCA and G20

IFSCA contributed towards India's G20 Presidency by being a domestic knowledge partner of G20 Sustainable Finance Working Group (SFWG), in alignment to IFSCA's ambition of developing GIFT IFSC as a global hub for sustainable finance. Some of the significant contributions are highlighted below.

- (i) IFSCA is one of the lead authors for India's Presidency Input paper on "Building capacities to accelerate sustainable finance and manage climate and sustainability risk" published as part of work related to G20 SFWG.
- (ii) IFSCA participated in panel discussions related to social impact investments and capacity building during the G20 Domestic outreach event at Chennai.
- (iii) IFSCA provided its inputs for scaling up adoption of social impact investment for one of the priority areas of G20 SFWG.
- (iv) IFSCA shared case studies at IFSC as instruments for financing Sustainable Development Goals (SDGs) for consideration to be part of compendium of best practices for financing SDGs.

Round Table Conference on International Carbon Markets

On December 13, 2023, IFSCA, in collaboration with FICCI and NSE, hosted a round table conference titled "International Carbon Market: Making GIFT IFSC a Gateway for Global Climate Finance" at GIFT City, Gandhinagar. The event brought together dignitaries from the Ministry of Power, Ministry of Finance, corporate leaders, academic institutions, carbon exchanges, and other key stakeholders in the carbon market. The conference facilitated discussions on (a) Building the Foundation for a Vibrant Carbon Market: Integrity, Infrastructure, and Innovation and (b) Enabling International Carbon Market at GIFT IFSC: Forging the Perfect Ecosystem. The goal was to identify critical elements for creating a transparent and dynamic carbon market, positioning GIFT IFSC as a premier destination for international carbon finance.

In the inaugural address, the Chairperson, IFSCA emphasized the organization's wide-ranging initiatives in financial markets, particularly in sustainable finance. Citing the Prime Minister's comments at the IFSCA InFinity Forum 2.0, the Chairperson highlighted India's need for at least USD 10 trillion to reach its net-zero emissions goal by 2070. The Chairperson also highlighted the government's ambitious plan to transform India into a developed nation by 2047, emphasizing the significant opportunities for green growth that is present. Achieving these goals will require innovative changes in policy, regulations, and market structures. The Chairperson expressed that the round table conference would aid IFSCA in fostering an environment conducive to mobilizing capital through climate finance and carbon market mechanisms.

FICCI ESG Summit 2023

The FICCI ESG Summit 2023, on the theme of driving sustainable transformation took place on October 9, 2023, in Mumbai. At the FICCI ESG Summit, the Chairperson, IFSCA, emphasized the critical role of sustainable and climate finance amidst the growing climate risks. The Chairperson discussed the evolving global regulatory landscape for sustainable finance and highlighted IFSCA's initiatives, including the regulatory framework for listing Green, Social, and Sustainability (GSS+) bonds, sustainability lending by IBUs, sustainability reporting by FMEs, and the establishment of ESG funds at GIFT IFSC.

Emphasizing that IFSCA's regulations are globally aligned yet sensitive to the needs of developing nations like India, the Chairperson pointed out their significance in attracting foreign capital to green and sustainable projects in India. Furthermore, ongoing efforts to develop the 'Voluntary Carbon Market' and 'Transition Finance' instruments were noted, aimed at supporting financing for corporates in India and the broader Global South.

MoEFCC Climate Conference 2024

The Climate Conference 2024, themed "Decoding the Green Transition for India," took place on January 12, 2024, in Mumbai. The Conference was organised by MoEFCC under the Green Climate Fund Readiness Programme with Delivery Partner UNDP India and supported by Knowledge Partner Avaana Capital.

Chairperson, IFSCA delivered the speech at Climate Conference 2024. He emphasized on bridging the financing gap for climate action, estimated at USD 2.5 trillion and said IFSCA can act as a gateway for attracting global capital towards sustainable projects in India. He mentioned about the various initiatives taken by IFSCA to mobilize climate and sustainable finance from GIFT IFSC. He also highlighted the major ongoing initiatives by IFSCA to develop "Voluntary Carbon Market" ecosystem at GIFT IFSC and "Framework for Transition Finance" to support the financing of corporates in India and the Global South for their net-zero transition.



Image 24 : Chairperson, IFSCA at the inaugural session of the climate conference

Working Group / Committee

Expert Committee on Voluntary Carbon Market

IFSCA, with a view to develop Voluntary Carbon Market ecosystem in GIFT IFSC, has constituted an Expert Committee, chaired by Shri R. R. Rashmi, Distinguished Fellow and Programme Director, Earth Science and Climate Change, The Energy and Resources Institute (TERI) in September 2023.

The expert committee is tasked with comprehensively examining the international Voluntary Carbon Market (VCM) to assess its potential for supporting India's Net Zero goals. This includes understanding current VCM challenges and opportunities, suggesting policy measures to enable VCM within GIFT IFSC, attracting market participants, establishing a robust VCM ecosystem, and drafting a regulatory framework for VCM activity within GIFT IFSC. The scope also extends to any other relevant matters concerning VCM development and regulation at GIFT IFSC.

Expert Committee on Climate Finance

With the objective to mobilize global capital to achieve the net zero target of India and other emerging countries, IFSCA constituted an Expert Committee on Climate Finance in December 2023 under the Chairmanship of Mr. Dhruba Purkayastha (India Director, CPI).

The expert committee is established to comprehensively analyse global climate financing trends, identify best practices, and assess requirement of climate Finance with special focus on transition in India by 2047. The committee will further recommend a regulatory framework for transition finance instruments, building upon IFSCA's draft framework. Additionally, the terms of reference for the committee include recommendations on policy measures (legal, tax, regulatory etc.) to promote transition finance through GIFT IFSC, and on building a cost-effective and reliable ecosystem for transition finance supporting Indian industry, while also providing a roadmap for GIFT IFSC to develop climate finance instruments and become a global hub.

Policies and program for the Following Year

Framework for Transition Finance

The need of the hour is to fund the transition journey of all sectors, especially hard-to-abate sectors such as steel, cement, chemicals etc. In order to achieve the Paris agreement goals and SDGs. In this context, transition finance instruments such as transition bonds, transition loans etc. have emerged as an alternative to address the financing gap needed to achieve Paris agreement goals and which is inclusive of sectors and geographies across industries. IFSCA has formed an expert committee on Transition Finance consisting of representation from industry, standard setters, consultants, think tanks etc. to recommend a regulatory framework for transition finance instruments and measures to promote transition finance through GIFT IFSC.

Regulatory framework for Voluntary Carbon Market

India is one of the largest suppliers of carbon credits in International Voluntary Carbon Market over the last decade. With an aim to develop an ecosystem of international carbon market under a regulated environment, IFSCA has constituted an Expert Committee on Voluntary Carbon Market chaired by Shri R.R. Rashmi. The committee includes experts from the areas of renewable energy, consultancy, capital markets, policy, legal, standards and registry, investors, etc. The terms of reference include recommendations to IFSCA for development of regulatory framework on VCM and suggest policy and enabling measures to create a robust VCM ecosystem for global markets at GIFT IFSC.

Investment and settlement of Sovereign Green Bonds (SGrBs) at IFSC

With the objective of enabling the wider participation from foreign investors in India's green growth, IFSCA and RBI are working together to enable the trading and settlement of SGrBs at IFSC.



ANCILLARY SERVICES //

Professional services firms are quintessential for the development of an international financial centre as they aid and assist the delivery of financial services such as Audit and Accountancy, Taxation, Legal, Consulting and Advisory services etc. Globally, the growth of financial firms and financial markets are predicated on the growth and concentration of high-quality professional services firms.

Considering the inherent importance of professional services firms in developing a robust financial services market in GIFT IFSC, IFSCA in February 2021 issued the framework for enabling Ancillary Services at IFSC.

The industry in GIFT IFSC is showing healthy growth having 68 entities as of March 31, 2024, providing services across categories like Legal, Compliance and Secretarial, Professional & Management Consulting Services, Auditing, Accounting, Bookkeeping and Taxation Services, Administration, Asset Management Support Services and Trusteeship Services, etc

International Financial Centres (IFCs) are regions characterized by a high concentration of financial service providers, including banks, capital market entities, insurance firms, fund managers, and FinTech companies. Additionally, these centres host professional service firms offering expertise in areas such as audit, accountancy, taxation, legal counsel, consulting, and advisory services. The presence of professional service firms is crucial for the growth and functionality of an international financial centre, as they support and facilitate the delivery of financial services by financial institutions. Globally, the expansion of financial firms and markets relies heavily on the proliferation and quality of professional service firms.

Given the abundant availability of skilled professionals in India, particularly in fields such as Chartered Accountancy, Company Secretaryship, and Chartered Financial Analysis, there exists significant potential for the IFSC to emerge as a central hub for professional service providers. These professionals would not only serve the needs of the IFSC itself but also cater to demand from overseas markets. Recognizing the vital role of professional service providers in fostering the development of financial markets within the GIFT IFSC, the Authority introduced the "Framework for Enabling Ancillary Services at International Financial Services Centres" in February 2021.

The implementation of ancillary service firms within the GIFT IFSC has greatly bolstered the growth of the financial services ecosystem by meeting the demand for professional services and attracting both global and domestic players to the IFSC.

Policy/ Regulatory Developments

Framework for enabling Ancillary services at IFSC

Ancillary Services are defined as services which directly or indirectly aid, help, assist or strengthen or are attendant upon or connected with 'services' as defined under section 3 of IFSCA Act, 2019.

The permissible ancillary services under the framework are as follows:

- (i) Legal, Compliance and Secretarial
- (ii) Auditing, Accounting, Book-keeping and Taxation Services
- (iii) Professional & Management Consulting Services
- (iv) Administration, Assets Management Support Services and Trusteeship Services
- (v) Any other services as approved by IFSCA from time to time.
- (vi) The following entities are eligible to act as a service provider so as to provide permissible ancillary services pertaining to activities in relation to financial products, financial services and financial institutions in the IFSC:
 - a. Any existing or newly incorporated entity set up in the IFSC.
 - b. Any Indian or foreign incorporated entity by establishing a branch or a subsidiary.

The entity may be set up in the IFSC in the form of a company or a limited liability partnership or a registered partnership firm, branch thereof or any other form as may be approved by the IFSCA.

Service providers can provide permissible services to any one or more of the following:

- (i) Entities set up in IFSC.
- (ii) Entities from foreign jurisdictions for various permissible ancillary services in IFSCs in India or overseas
- (iii) Indian entities who propose to open, set up or carry out operations in IFSCs or foreign jurisdiction, provided consideration is received in freely convertible foreign currency.

Transaction/Processes/Operations/Trends

Under the Ancillary Framework, IFSCA has granted Authorisation to 68⁷² entities as on March 31, 2024, out of which 22 entities were granted authorization during Financial Year 2023-24.

Table 28 : Activity-wise break up of Ancillary Services Entities

S. No.	Activity	No. of Authorized Entities as on March 31, 2024
1	Legal, Compliance and Secretarial	12
2	Professional & Management Consulting Services	21
3	Auditing, Accounting, Bookkeeping and Taxation Services	11
4	Administration, Asset Management Support Services and Trusteeship Services	24
	Total	68

⁷² Including in-principle approval



Advocacy and Outreach

ICSI Office in GIFT City

The Institute of Company Secretaries of India (ICSI) Council approved the establishment of an office in GIFT City, Gujarat. This move aims to narrow the skill gap and enrich the talent pool for financial institutions in GIFT IFSC.

IFSCA MoU with ICSI

IFSCA signed an MoU with ICSI for co-operation in various initiatives including working together for the development of GIFT IFSC as a Global Compliance Services Export Hub and to facilitate development of advanced corporate governance practices, compliance audit in IFSCs and promote export of Legal, Compliance and Secretarial Services.

IFSCA MoU with ICAI

IFSCA signed and exchanged MoU with ICAI at Global Professional Accountants Convention for the development of GIFT IFSC as a "Global Finance and Accounting Hub" of the world.

Moreover, ancillary services firms have organized numerous webinars, roundtables, and conferences both globally and within India to raise awareness about opportunities in sectors such as banking, funds, insurance, aircraft leasing, and more.

Box 4: Making GIFT IFSC a Global Accounting Hub

Through a recent Gazette notification in January 2024, the Government of India expanded the scope of 'financial services' under the IFSCA Act 2019 to include key areas like bookkeeping, accounting, taxation, and financial crime compliance. This significant policy shift aims to position GIFT IFSC as a global hub for these services, presenting substantial employment opportunities for India's skilled workforce.

Recognizing the immense potential of this policy decision, IFSCA established an Expert Committee focused on developing GIFT IFSC as a "Global Finance and Accounting Hub." The Committee has provided key suggestions and recommendations to advance bookkeeping, accounting, taxation, and financial crime compliance services.

Further, IFSCA has drafted the IFSCA (Book-keeping, Accounting, Taxation, and Financial Crime Compliance Services) Regulations, 2024. These regulations outline a regulatory framework for the provision of these services within the IFSC jurisdiction.

Policies and Programs for the following year

Review of Framework for Enabling Ancillary Services at IFSC

A review of Circular is due after 3 years of notification. Further, with the introduction of BATF regulations in 2024, bookkeeping, accounting, and taxation services previously included in the Ancillary framework will now fall under the BATF regulations. Additionally, the revised circular is expected to address provisions related to Fit and Proper criteria, the exit of registered entities, and modifications in the approval process.

MoU with Professional Bodies

Commence negotiations for a Memorandum of Understanding (MoU) for a Professional Outreach program with distinguished professional institutes. The objective is to explore opportunities for research, capacity building, and addressing workforce skill gaps.

Addition of New Services under Ancillary Framework

Consider including new services such as certification services, actuarial services, valuation services and Insolvency Professional services under the existing Ancillary Services Framework.



FOREIGN UNIVERSITIES & INSTITUTIONS //

The Hon'ble Union Minister of Finance and Corporate Affairs in the Union Budget 2022-23 announced, "World Class Foreign Universities and Institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics, free from domestic regulations, except those by the IFSCA to facilitate availability of high end human resources for financial services and technology".

Pursuant to the above Budget Announcement, the Ministry of Finance notified courses offered in Financial Management, FinTech, Science, Technology, Engineering and Mathematics by foreign universities or foreign institutions in the IFSC as 'Financial Services'. This policy enabler brought foreign universities and foreign educational institutions setting up campuses in IFSCs under the purview of IFSCA Act, 2019. Subsequently, IFSCA notified enabling regulations i.e. IFSCA (Setting up and operation of International Branch Campus and Offshore Education Centre) Regulation, 2022.

Deakin University from Australia became the 1st foreign university to be granted a Certificate of Registration (CoR) for their International Branch Campus in GIFT IFSC. Further, IFSCA also granted in-principle approval to the University of Wollongong, a leading University from Australia.

In the Union Budget 2022-23, the Hon'ble Finance Minister announced that GIFT City will host world-class foreign universities and institutions offering courses in Financial Management, FinTech, STEM fields, exempt from domestic regulations but under IFSCA oversight. This initiative aims to establish GIFT City as an international educational hub for both Indian and foreign students, providing high-end human resources for financial services and technology. Following this, on May 23, 2022, the Ministry of Finance designated these courses as 'Financial Services' under the IFSCA Act, 2019, allowing foreign educational institutions to set up campuses in the IFSC.

The overall objective of this policy announcement was to develop GIFT IFSC as an international educational centre catering to both Indian and foreign students in specified disciplines, encourage research in areas of Banking, Insurance, Capital Market, Funds Management, FinTech, Longevity Finance, Sustainable Finance, Quantum Computing, etc. and nurture high- end human resources in finance, technology, and related fields.

Pursuant to the above, IFSCA notified enabling regulations i.e. IFSCA (Setting up and operation of International Branch Campus and Offshore Education Centre) Regulation, 2022 wherein the Authority specified the eligibility criteria, procedure for grant of registration, and other terms and conditions for foreign universities to set up International Branch Campuses (IBCs) and foreign educational institutions to set up Offshore Education Centres (OEC) in IFSC.

To further facilitate the setting up of IBCs and OECs in IFSC, the Ministry of Finance invoked powers under Sec 31 of IFSCA Act 2019 and disapplied University Grants Commission Act, 1956 and the All-India Council for Technical Education Act, 1987 to the courses offered by foreign universities & institutions in GIFT IFSC.

Policy/ Regulatory Developments

During FY 2023-2024, IFSCA enabled the Academic Infrastructure Service Provider (AISP) model for foreign universities and institutions setting up IBCs and OECs in IFSC. This regulatory enablement permitted IBCs and/or OECs to avail infrastructure services from an AISP, which shall be registered and governed as per provisions of SEZ Act 2005. The AISP model is expected to make GIFT IFSC an attractive and preferred destination for foreign universities and institutions to set up their overseas campuses.

Box 5: Key features of the AISP Circular

- (i) An AISP is a service provider which is providing services to an IBC/OEC, which shall include providing built up campus facility, research and development facility, library, laboratories, incubation centres, teaching classroom, and such other related services.
- (ii) An AISP can provide the following additional services to an IBC/OEC in IFSC:
 - a. Campus Facility Management services
 - b. Student onboarding, Admissions and Student Welfare services
 - c. Services for recruitment and management of non-academic staff
 - d. Branding and Marketing services
 - e. Payroll services, etc.
- (iii) Eligibility Conditions for an AISP:
 - a. The AISP is incorporated as a separate company in GIFT SEZ.
 - b. The AISP shall have a minimum net worth of USD 1 Mn or equivalent for providing its services.
 - c. The AISP or any of its group company shall have at least three years of prior experience of providing similar services to recognized universities/educational institutions in India or overseas.
- (iv) Obligations of an IBC/OEC availing services from an AISP:
 - a. The IBC/ OEC shall enter into a formal written agreement with an AISP.
 - b. The agreement shall, inter-alia, contain provisions relating to indemnity, intellectual property protection, conflict of interest, financial guarantee, confidentiality and privacy, force majeure, insurance, governing law & jurisdiction, dispute resolution.
 - c. The IBC/ OEC shall provide an undertaking to IFSCA that the academic functions of the IBCs and/or OECs, are not outsourced in any manner whatsoever, to the AISP, directly or indirectly.



Transaction/Processes/Operations/Trends

During FY 2023-24, IFSCA achieved a significant milestone by granting final certificate of registration to Deakin University, Australia, for their International Branch Campus in GIFT IFSC under IFSCA (Setting up and operation of International Branch Campus and Offshore Education Centre) Regulation, 2022. Deakin University with a QS World University Ranking of 233 in 2024 became the first foreign university to be approved under this policy initiative of Government of India. Deakin University IBC has set up a state of art campus facility in GIFT IFSC and is expected to begin its academic operations from July 2024 with two master's courses namely Master of Cyber Security and Master of Business Analytics.

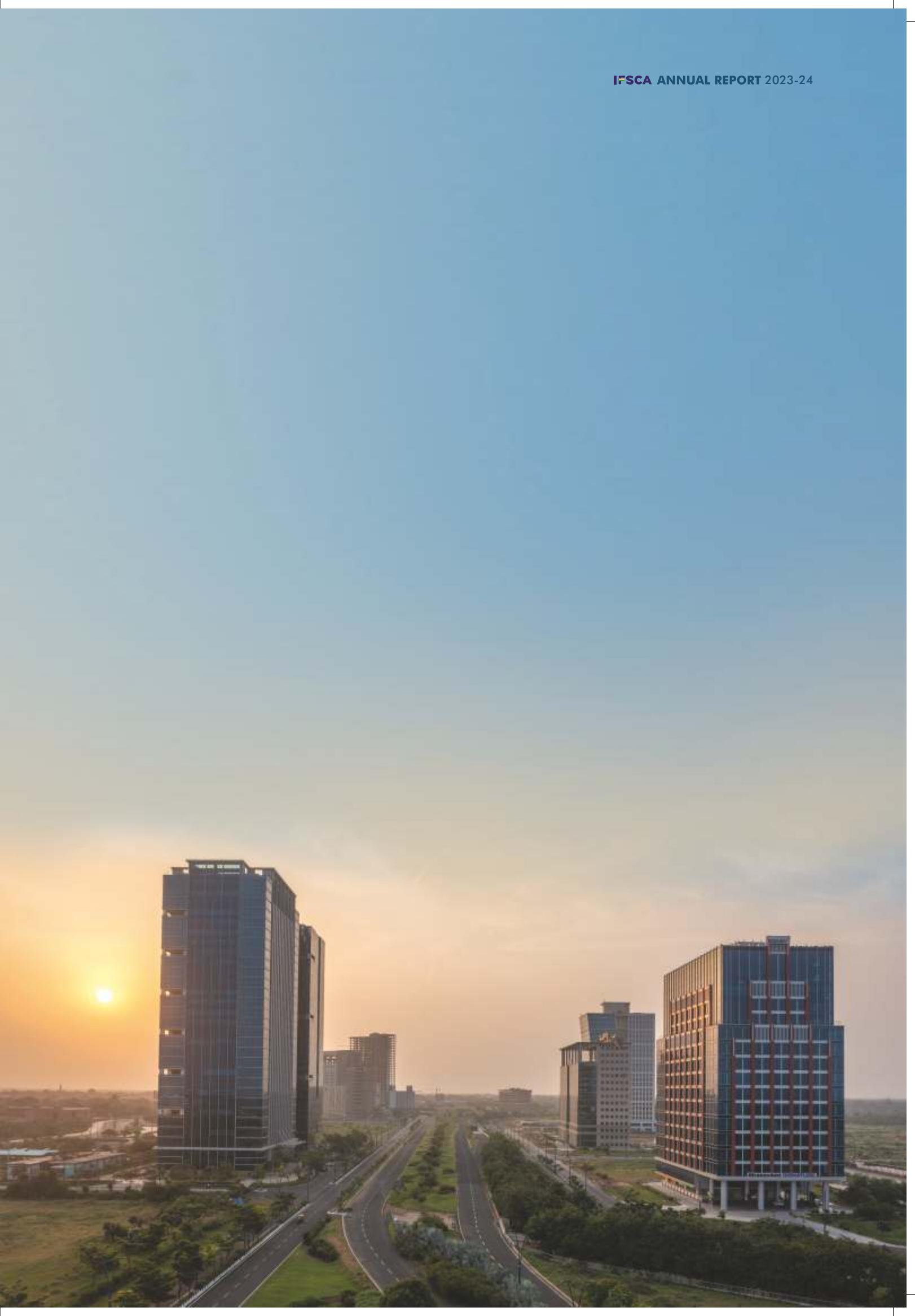


Image 25 : Deakin University in GIFT IFSC

In May 2023, University of Wollongong (UoW) from Australia became the 2nd foreign university to apply and receive in-principle approval from IFSCA for setting up their International Branch Campus in GIFT IFSC. UoW is a leading Australian public university located in the coastal city of Wollongong, New South Wales and has secured a rank of 162 in QS World University Rankings 2024. UoW IBC is expected to begin their academic operations from July 2024 with the introduction of Master of Computing (Data Analytics), after obtaining final certificate of registration from IFSCA.

Advocacy and Outreach

During FY 2023-24, IFSCA held several roundtable interactions and bilateral meetings with leading universities from USA, Australia, France and United Kingdom. Several foreign universities were actively exploring the opportunity to set up their IBC in GIFT IFSC and thereby expand their presence in India.





INFORMATION TECHNOLOGY //

The spheres of technology and finance have increasingly become intertwined, as latest technological innovations provide improved security, speed, convenience, coverage, and 'Ease of Doing Business' in the field of finance. The use of Technology has become indispensable for a regulator with its increasing impact on regulation, supervision, and governance in the international financial regulatory ecosystem. IFSCA lays emphasis on using technology as the key to increase the transparency and efficiency of operations, and in improving the ease of doing business for Regulated Entities in IFSCs.

Towards this end, IFSCA has undertaken several initiatives in the Financial Year (FY) 2023-24:

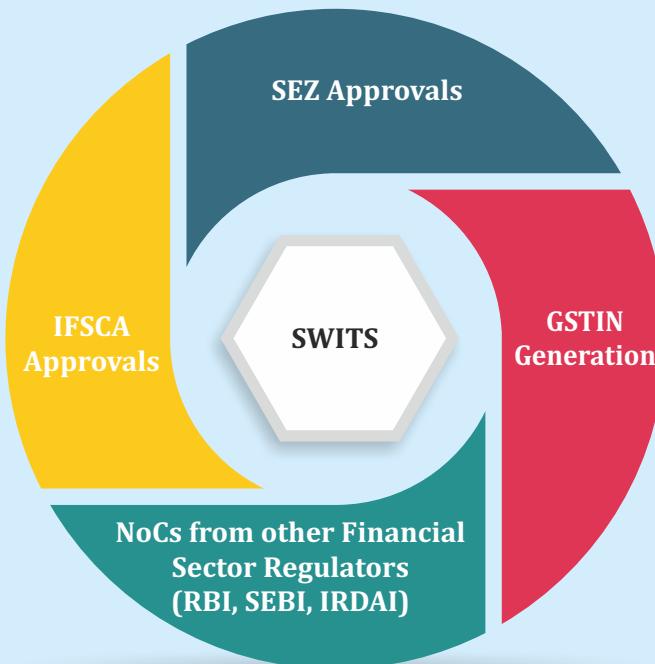
IFSCA's Supervisory Technology (SupTech) System

IFSCA is in the process of appointing a suitable SupTech Solution Provider to implement the system to facilitate the supervisory functioning of the Authority. The envisioned system aims to establish a comprehensive framework for administration, compliance, supervision, and enforcement amongst its regulated entities. The primary focus is to incorporate advanced technology and adhere to global best practices to achieve the Authority's objectives effectively.

Box 6 : IFSCA Single Window IT System (SWITS)

The Hon'ble Finance Minister, in the Union Budget for FY 2023-24 announced "Implementation of a single window IT-enabled system for application processing of entities desirous of setting up operations in GIFT IFSC" to improve the Ease of Doing Business (EoDB).

- (i) Towards this end, IFSCA floated a Request for Proposal (RFP) on GeM (Government e-Marketplace) and finalized a vendor for implementing the SWITS.
- (ii) A Common Application Form (CAF), that was developed by IFSCA by merging several existing forms, was digitally translated in the SWITS. This CAF along with the vertical-specific Annexure forms aim to harmonize and simplify the process of Registration in IFSCs.
- (iii) The CAF also comprises of the details required for an entity's SEZ Approval, which is designed to be sent to the SEZ Online System automatically by means of an API integration. This integration was completed by jointly working with NSDL.
- (iv) Apart from this, the SWITS also integrates within itself an NoC processing module through API integration. The APIs were developed and tested with the involvement and support of the other financial sector regulators, RBI, SEBI and IRDAI.
- (v) SWITS also integrates the process of applying for GSTIN for an IFSC entity, which is being done in coordination with GSTN.
- (vi) Real time data validation of PAN, DIN and CIN would also be done through APIs that are incorporated into SWITS.

Figure 18 : Schematic Representation of SWIT System

Revamp of IFSCA Website and Legal Database

In line with the IFSCA (Maintenance of Website) Regulations, 2022 IFSCA has initiated the development of a best-in-class website, benchmarked with other international financial sector regulators, while conforming to the standards and guidelines of Government of India and other relevant agencies.

The IFSCA website acts as an important interface with the public as well as the regulated entities and other stakeholders to disseminate information through its regulations, circulars, notifications, etc.

The updated IFSCA website shall host the IFSCA SWITS and cater to the needs of Regulated Entities (REs), prospective businesses and foreign financial regulators, improving their Ease of Doing Business with IFSCA.

The revamped website shall contain a directory that would be linked to SWITS for real-time updating of data. A Legal Database Module would also be housed on the revamped website enabling easy access and searchability of relevant regulations, circulars and legal information.

Enterprise Resource Planning (ERP) System

The ERP system of IFSCA is aimed at easing the general administration through digitizing employees' attendance management, leave management, and pay slip generation. This system will be used for processing the claims of all the employees in a paperless manner. Further, the objective is to scale the system to include all other general administrative functions within its ambit.



eOffice-IFSCA application

eOffice-IFSCA application, developed by National Informatics Centre (NIC), is IFSCA's electronic file management system, and supports governance, e-File, an integral part of e-office suite is a system designed for the Government departments, PSUs, and statutory bodies to enable a paperless office.

The eOffice application helps with easy movement and tracking of files as well as receipts. The application also includes file management system, knowledge management system, Management Information Systems (MIS), employee data management and master data management which helps in digitizing IFSCA's internal processes.

IT Infrastructure

IFSCA provides workstations equipped with computers, printers, telephones, and high-speed Local Area Network (LAN) connectivity to its employees. IFSCA has operationalized an internal mail server for ease of document sharing within the organization, while ensuring data security. IFSCA Headquarters has high-speed Wi-Fi connectivity, and the meeting rooms are equipped with world-class video conferencing devices for seamless communication.

Social Media

The IFSCA has taken proactive steps to improve its social media presence. The efforts taken in timely posting and appropriate tagging has led to an increase in social media footprint of IFSCA and has improved the coverage and timeliness of information dissemination from IFSCA. Together, the website and social media are being leveraged to secure India's place in the digital arena in the company of other major international financial sector regulators of the world.

Cyber Security

Cyber Security Advisory Committee

On May 12, 2023, the Hon'ble Prime Minister of India graced GIFT IFSC with a visit. A primary outcome of this visit was the emphasis on the creation of a forward-looking cyber security vision document for GIFT IFSC.

As a step towards that direction, IFSCA has formed a Cyber Security Advisory Committee (CSAC) chaired by Dr. Sanjay Bahl, Director General, CERT-In on August 17, 2023. The Committee's terms of reference encompass preparing a cyber security vision document for GIFT IFSC and overseeing and guiding cyber security initiatives for GIFT IFSC. The Committee shall advise IFSCA on developing and maintaining cyber security and cyber resilience requirements for the Regulated Entities (REs) aligned with global best practices. Additionally, the Committee will recommend improvements for cyber security audit processes, review the mandate and functioning of Security Operation Centers (SOCs), and guide the setup of a Cyber Lab/ Cyber Center of Excellence. It will also study major global cyber-attack incidents to identify gaps in the current cyber security framework and engage in continuous dialogues with relevant external agencies, such as CERT-In,

NSCS, DoT, MeitY, and leading academic institutions, to further strengthen the cyber security and resilience of GIFT IFSC.

IFSCA's MoU with C3i Hub, IIT Kanpur

IFSCA signed an MoU with IHUB NTIHC FOUNDATION C3i Hub on March 15, 2024, at IIT Kanpur for collaboration in Cyber Security. IFSCA and C3iHub intend to facilitate cooperation and mutual assistance in the areas of cyber security and cyber resilience, inter alia, including Threat Intelligence Systems, Cybersecurity Audits and Assessments, Capacity Building and Training Initiatives and other areas related to cyber security.

C3i Hub deals in the domain of Cyber Security, generation of new knowledge through basic and applied research, developing tools and providing services for enhancing cybersecurity. The Company is formed under Mission NM ICPS, Ministry of Science & Technology to host Technology Innovation Hub ("TIH") in cybersecurity.



DEVELOPMENTAL ACTIVITIES //

Policy/ Regulatory Developments

Consultation paper on BATF

On March 26, 2024, IFSCA released a Consultation Paper on Draft IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) Regulations, 2024 with a objective of seeking suggestions and comments from the public. The draft regulations aim to put in place the regulatory framework relating to registration and operations of Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (BATF) from International Financial Services Centres. The consultation paper was issued pursuant to Government of India's notification dated January 18, 2024, wherein bookkeeping, accounting, taxation and financial crime compliance services were notified as 'financial services' under section 3 of IFSCA Act 2019.

International and Domestic MoUs

IFSCA signs an MoU with Financial Services Commission, Mauritius

On March 13, 2024, IFSCA and Financial Services Commission, Mauritius (FSC Mauritius) formally exchanged the MoU to formalize institutional cooperation between the two regulators. The MoU exchange ceremony was held in Mauritius in the august presence of Hon'ble Shri Pravind Kumar Jugnauth, the Hon'ble Prime Minister of the Republic of Mauritius and Smt. Droupadi Murmu, the Hon'ble President of the Republic of India.

The Inter-regulatory Cooperation MoU aims to facilitate the exchange of knowledge and best practices in the development, regulation, and supervision of the financial markets within the respective jurisdictions. Additionally, it seeks to ensure the fitness and propriety of licensed or registered individuals and to promote high standards and integrity in business conduct.

In addition, the MoU also aims to facilitate the enforcement of laws, rules, and regulations governing financial products, financial services, and financial institutions within the respective jurisdictions.

IFSCA signs an MoU with the Institute of Chartered Accountants of India

On November 25, 2023, IFSCA signed and exchanged a Memorandum of Understanding (MoU) with the Institute of Chartered Accountants of India (ICAI) at the Global Professional Accountants Convention held in Gandhinagar, Gujarat. The MoU aims to deepen the bilateral cooperation between the two authorities for promotion and development of GIFT IFSC as a "Global Financial and Accounting Hub".

The MoU will also enhance engagement between IFSCA and overseas chapters of ICAI, enabling better dissemination of information on the regulatory landscape and export opportunities for financial services from GIFT IFSC.



Image 26 : Exchange of MoU-ICAI with IFSCA and GIFT City

IFSCA signs an MoU with the Institute of Company Secretaries of India (ICSI)

On December 10, 2023, IFSCA signed and exchanged a Memorandum of Understanding (MoU) with the ICSI during IFSCA's annual flagship event "Infinity Forum 2.0" held in GIFT City, Gandhinagar. The MoU seeks to strengthen the collaboration between the two organizations for facilitating the development of GIFT IFSC as a "Global Compliance Services export Hub" and to facilitate development of advanced corporate governance practices, compliance audit in IFSC and promote the export of legal, compliance and secretarial services.

IFSCA signs an MoU with Institute of Actuaries of India (IAI)

On December 09, 2023, IFSCA signed a (MoU) with the Institute of Actuaries of India (IAI) during IFSCA's flagship event "Infinity Forum 2.0" held in GIFT City, Gandhinagar. The MoU aims to deepen the cooperation between IFSCA and IAI for promoting and developing GIFT IFSC as a "Global Actuarial Hub" and promote the export of actuarial services from GIFT IFSC. The MoU also seeks to facilitate greater cooperation for promotion and development of financial markets in GIFT IFSC.



Working Groups/Committees

Report of Expert Committee on developing GIFT IFSC as a “Global Finance and Accounting Hub” submitted to IFSCA

Pursuant to Government of India's notification dated January 18, 2024, notifying book-keeping, accounting, taxation and financial crime compliance services as 'Financial Services' under Sec 3(1)(e)(xiv) of IFSCA Act, 2019, IFSCA constituted an Expert Committee on developing GIFT IFSC as a “Global Finance and Accounting Hub” under the Chairmanship of Shri Ranjeet Agrawal, President, ICAI. The Expert Committee comprised of leading experts from the financial services industry, academia and the Government. The Expert Committee submitted its report to the IFSCA on March 26, 2024.



Image 27 : Submission of Report to Chairperson, IFSCA by Expert Committee on BATF

The Expert Committee provided recommendations to the IFSCA on developing a comprehensive regulatory regime for providing bookkeeping, accounting, taxation and financial crimes compliance services from GIFT IFSC. Additionally, the Committee has provided recommendations for the promotion and development of GIFT IFSC as “Global Finance and Accounting Hub” including measures for enhancing the skills and competencies of the workforce.

Report of Working Group on “Development of Non-Resident Individual Business and Ease of Registration” submitted to IFSCA

IFSCA constituted a Working Group on “Development of Non-Resident Individual (NRI) Business and Ease of Registration” on October 06, 2023. The Working Group comprised of industry experts having domain knowledge in areas such as capital market, asset management, banking, insurance, law, FinTech, etc. The Working Group submitted its report to the IFSCA on May 09, 2024. The report envisions harnessing the full potential of GIFT IFSC to attract NR and NRI investments, especially those wanting to invest in or from their home countries.

The Working Group highlighted the importance of NRI investments into India through GIFT IFSC and conducted a comprehensive global benchmarking exercise of GIFT IFSC with leading International Financial Centres, including New York, London, Luxembourg, Dubai, and Singapore. The report examined the onboarding process for NRIs, which covered various aspects such as customer identification, authentication and execution of documents.

The report aims to provide a strategic roadmap for the development of NRI business in GIFT IFSC, emphasizing ease of onboarding and positioning GIFT IFSC as a global financial hub.

Report of Expert Committee on “Onshoring the Indian Innovation to GIFT IFSC” submitted to IFSCA

On August 14, 2024, the Expert Committee constituted by IFSCA on “Onshoring the Indian Innovation to GIFT IFSC” under the chairmanship of Shri G Padmanabhan, Former Executive Director, RBI submitted its report to Chairperson, IFSCA. The committee members comprised of experts having domain knowledge in areas such as Venture Capital, Startups, FinTech, Law, Taxation and other domain experts.

The report examined various facets related to flipping of Indian start-ups and Indian innovation to overseas jurisdictions and recommended various measures to facilitate reverse flipping of Indian startups to GIFT IFSC. The committee in its report also identified challenges and provided recommendations for development of GIFT IFSC as International Innovation Hub. The Committee identified various measures/ action points that are required to be implemented by relevant stakeholders including Ministries, Regulatory Authorities and others for onshoring Indian innovation to GIFT IFSC.

Advocacy and Outreach

Public Sector Enterprises @ 2047: GIFT IFSC Opportunities

The 1st edition of IFSCA's annual summit on Public Sector Enterprises @ 2047: GIFT IFSC opportunities was held on February 23, 2024, in GIFT City. The Summit was inaugurated by Shri K. Rajaraman, Chairperson, IFSCA in the presence of Shri Amardeep Singh Chowdhary, Principal Advisor, Department of Public Enterprises, Government of India, Managing Directors and CMDs of leading Central and State Public Sector Enterprises (PSEs). Senior leadership from 50+ PSEs and representatives from the financial markets including Banks, Insurance Companies, Stock Exchanges, etc. also attended the conference.



Image 28 : Shri Pradeep Ramakrishnan, ED, IFSCA with dignitaries at the PSE@2047

During the Summit, MDs and senior executives from leading PSEs such as ONGC Videsh Ltd., Power Finance Corporation Ltd. and Indian Oil Corporation Ltd. shared their experiences of setting up business operations in GIFT IFSC for undertaking international financial services businesses, including Global Treasury Centre operations, foreign currency borrowing, holding company structure, etc. Leaders from the financial sector discussed and presented various opportunities for PSEs in GIFT IFSC including Global Treasury Centre operations, ship acquisition financing and leasing, aircraft leasing, holding company structures, debt listing, insurance business, etc.

Visit of Hon'ble Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman to IFSCA

On August 19, 2023, the Hon'ble Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman visited IFSCA Head Office in GIFT City to review the developments in India's maidan IFSC in GIFT City, Gujarat. Shri K. Rajaraman, Chairperson, IFSCA apprised Hon'ble FM about the regulatory and development initiatives launched by IFSCA, and also highlighted the measures being taken for reducing the cost of doing business in GIFT IFSC. The Hon'ble FM was also briefed about the immediate and future priority areas for IFSCA.



Image 29 : Hon'ble Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman visited IFSCA Head Office

Visit to Grand Duchy of Luxembourg, Belgium, and France

The IFSCA delegation led by the Chairperson, IFSCA visited Grand Duchy of Luxembourg, Belgium and France in February 2024 to engage with the financial sector regulators and the financial industry players. During the visit, IFSCA officials interacted with Association of the Luxembourg Fund Industry (ALFI), Luxembourg Private Equity and Venture Capital Association (LPEA), Luxembourg House of Financial Technology (LHoFT), Luxembourg Stock Exchange, Luxembourg Financial Sector Supervisory Commission (CSSF), European Investment Bank (EIB) Financial Services and Markets Authority, Belgium, Financial Stability, Financial Services and Capital Markets Union, etc.



Image 30 : IFSCA delegation led by Shri K Rajaraman, Chairperson, IFSCA met Mr Jerome Reboul, Deputy Secretary General and Managing Director of Dept. of International Affairs, AMF France at their headquarters



Image 31 : Chairperson, IFSCA addressing the officials of Luxembourg Stock Exchange (LSE)

Vibrant Gujarat Global Summit 2024

The 10th edition of Vibrant Gujarat Global Summit 2024 was held between January 10-12 in Gandhinagar, Gujarat. The Hon'ble Prime Minister inaugurated the Summit and presided over the Global FinTech Leadership Forum (GFLF) at GIFT City. The forum was attended by leading financial and technology leaders on January 10, 2024. At the forum, business leaders applauded the regulatory regime and business environment in GIFT IFSC and offered various suggestions to further enhance the growth of India's maiden IFSC in GIFT City.

As part of Vibrant Gujarat Global Summit, Government of Gujarat in collaboration with GIFT Co. Ltd. and IFSCA held a day-long seminar on GIFT City & the IFSC at Mahatma Mandir, Gandhinagar on the theme "GIFT City – An Aspiration of Modern India" on 11th January. The Hon'ble Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman delivered the keynote address at the plenary session of the seminar. At the plenary session, Shri K Rajaraman, Chairperson, IFSCA highlighted various regulatory measures and development related initiatives being implemented by IFSCA to develop a robust financial market ecosystem in GIFT IFSC.



Image 32 : Plenary Session “GIFT City – An Aspiration of Modern India” in Vibrant Gujarat 2024” (Left to Right) Shri K. Rajaraman, Chairperson, IFSCA;Shri Kanubhai Desai, Finance Minister, Government of Gujarat; Hon’ble Finance Minister, Smt. Nirmala Sitharaman; Shri Hasmukh Adhia, Chairman, GIFT City and Shri Tapan Ray, MD & CEO, GIFT City

Visit to Japan

An IFSCA delegation led by Chairperson, IFSCA visited Japan from November 2023 to engage and interact with Japanese financial market institutions and to participate in the IAIS Annual General Meeting and Annual Conference. During the visit, IFSCA officials interacted with major market players from banking, funds, insurance, aircraft, and ship lessors, etc. and also held discussions with Japan Financial Services Agency (JFSA).



Image 33 : Shri K Rajaraman, Chairperson, IFSCA address during interaction with Japanese businesses at IRDAI Insurance Roadshow (Embassy of India, Tokyo)



Image 34 : IFSCA delegation led by Chairperson, IFSCA met Mr. Toshiyuki, Vice-commissioner for International Affairs, FSA, Japan

Visit to USA as part of Vibrant Gujarat International Delegation

IFSCA officials visited the United States of America in October 2023 as part of Vibrant Gujarat International delegation with Additional Chief Secretary, Finance Department, Government of Gujarat as delegation leader. The visit was undertaken to engage with the business community, including the financial services industry as a precursor to the Vibrant Gujarat Global Summit 2024. During the visit, several key engagements with the US financial services industry and Universities were organized to discuss business opportunities in GIFT IFSC.



Image 35 : Opening Bell ceremony at NASDAQ

Visit to Australia

An IFSCA delegation led by Dr. Dipesh Shah, Executive Director, IFSCA, visited Australia in August 2023 to engage and interact with Australian financial institutions and universities on emerging business opportunities in GIFT IFSC. During the visit, several roundtable interactions/conferences/informative sessions were organized in Sydney & Melbourne, cutting across various business verticals such as FinTech, Capital Markets, Asset Management and Australian Universities, etc. IFSCA also participated in Intersekt 23 (prominent FinTech Conference) and interacted with various FinTech-related stakeholders.



Image 36: Conference on GIFT IFSC opportunities



Key Outreach and engagement activities

During FY 2023-24 following major outreach and engagement activities were carried out in collaboration with Indian missions, foreign missions, industry associations, investment promotion agencies and other stakeholders.

Table 29 : Key Outreach and Engagement activities of IFSCA during FY 2023-24

Date	Particulars	Remarks
April 2023	BCAS 27th International Tax & Finance Conference 2023	IFSCA officials participated in the 27th International Tax and Finance Conference organized by the Bombay Chartered Accountants Society (BCAS) in Gandhinagar, Gujarat. During the conference, GIFT IFSC specific business opportunities were presented to the participants including finance professionals.
	HSBC Conference on the theme "GIFT City: India's Epicenter of Global Finance and IT" organized in Singapore	IFSCA officials participated in a conference organized by HSBC in Singapore to showcase various business opportunities in GIFT IFSC. As part of the conference, business opportunities across funds industry, banking, Global in-house Centres and FinTech were presented to then marker participants.
	SanamS4 Global Summit on Higher Education "campus Development in India" organized in New Delhi	IFSCA officials participated in the 'Global Education Summit' organized by SanamS4 Group in New Delhi. A dedicated session was held for presentation the opportunities for foreign universities to set up International Branch Campuses (IBCs) in GIFT IFSC.
	Conference organized by Association of Certified Financial Crime Specialists (ACFCS) in New Delhi	IFSCA officials participated in a conference organized by Association of Certified Financial Crime Specialists (ACFCS) on theme 'Financial Crime Compliance Emerging Trends & Opportunities' in New Delhi.
May 2023	Taxand Global Conference 2023	IFSCA officials participated in a conference organized by Taxand in collaboration with Economic Laws Practice (ELP). A dedicated session on the theme "IFSC: A Gateway to India" was organized to present various business opportunities available to the financial services industry in GIFT IFSC.
	Roadshow by KredX GTX	A roadshow was organized in Ahmedabad by KredX on the theme "Experience India's First IFSCA Licensed Global Trade Financing Exchange". IFSCA officials participated and highlighted the trade financial related opportunities in GIFT IFSC.

Date	Particulars	Remarks
June 2023	Webinar on 'The Future of Aircraft Leasing from IFSC-India'	A webinar was organised by PwC on the theme - 'The Future of Aircraft Leasing from IFSC-India'. During the webinar, IFSCA officials highlighted various policy, tax and regulatory enablers provided for the growth of aircraft leasing business in GIFT IFSC.
	India Investment Forum event organized by Morgan Stanley in Mumbai	IFSCA officials participated in the India Investment Forum event organized by Morgan Stanley. A dedicated session on the theme 'GIFT IFSC: The Opportunity & What Investors Should Know' was organized to disseminate various opportunities available in GIFT IFSC for the financial services industry.
	Seminar on GIFT IFSC organized by PHD Chamber of Commerce and Industry in New Delhi	A seminar was organized by PHD Chamber of Commerce and Industry on the theme "Importance of GIFT City: Attracting Foreign Funds for Indian Startups & Tax Incentives for Indian Businesses" in New Delhi. IFSCA officials presented various business opportunities available for Indian businesses in GIFT IFSC.
	Webinar organized by Institute of Chartered Accountants of India (ICAI) on GIFT IFSC Opportunities for ICAI's Overseas Chapters	IFSCA officials participated in a webinar organized by ICAI on the theme "Opportunities arising from India's maiden International Financial Services Centre in GIFT City" for educating their overseas chapters about GIFT IFSC opportunities.
	Roundtable Interaction organized by Ministry of Commerce and Industries for Venture Capital Firms	IFSCA officials attended the roundtable interaction organized by Ministry of Commerce and Industries with Indian Fund Managers, Startups and other stakeholders in New Delhi.
	Inc42 India's: Angel & VC Conclave	IFSCA officials participated in a conclave organized by Inc42 for Angel and VC funds in India. A dedicated session titled 'The GIFT City Advantage: A New Frontier for Private Equity Investors' was organized to sensitize the audience about the growing opportunities in GIFT IFSC for the funds industry.



Date	Particulars	Remarks
June 2023	Webinar organized by Invest India on the Foreign University initiative in GIFT IFSC	IFSCA officials participated in a webinar organized by Invest India to disseminate information on IFSCA (setting up and operations of International Branch Campuses and Offshore Education Centres) Regulations 2022 and highlight various advantages of setting up branch campuses in IFSC.
	Seminar on "Discovering the Future: Expedition to GIFT City"	IFSCA officials participated in a day long FinTech seminar organized by PHD Chambers of Commerce in GIFT IFSC. During the seminar, IFSCA officials presented various opportunities available for FinTech firms in GIFT IFSC.
	Webinar organized by FCDO, UK on International Branch Campus opportunities in GIFT IFSC	Foreign, Commonwealth and Development Office (FCDO), UK organized a webinar with leading UK Universities to showcase and present 'International Branch Campus opportunities available in GIFT IFSC. During the webinar, IFSCA officials made a detailed presentation on IFSCA (setting up and operations of International Branch Campuses and Offshore Education Centres) Regulations 2022.
September 2023	Global FinTech Fest 2023	IFSCA participated in the Global FinTech Fest 2023 held in Mumbai. During the FinTech fest, Chairperson, IFSCA delivered a keynote address on the topic "Transforming FinTech landscape through innovation and responsible global collaboration".
	Dubai Hedge Fund Conference	IFSCA officials participated in the Dubai Hedge Fund Conference organized by Wealth Today. During the conference, IFSCA officials presented opportunities for global fund managers in GIFT IFSC.
	Delegation visits by Ministry of Finance officials from Bahrain	IFSCA Officials held a meeting with the delegation of the Ministry of Finance, Bahrain to explore investment opportunities in GIFT IFSC.
	Seminar on Regulatory Development by AMCHAM India	IFSCA officials participated in a seminar on 'Regulatory Developments' organized by the American Chamber of Commerce in India (AMCHAM). During the seminar, IFSCA officials highlighted the latest regulatory and business developments in GIFT IFSC.

Date	Particulars	Remarks
September 2023	Webinar on "GIFT IFSC – A Gateway to Global Capital Market "	IFSCA officials participated in the webinar organized by NSE on the theme 'GIFT IFSC – A Gateway to Global Capital Market'. During the webinar, IFSCA officials highlighted various regulatory enablers provided for the growth of capital market ecosystem in GIFT IFSC.
	Workshop organized by Ernst and Young, India on the taxation system in India	IFSCA officials participated in the workshop organized by Ernst and Young on the taxation system in India. During the workshop, IFSCA officials sensitized the stakeholders about various tax incentives available to IFSC entities.
	Roundtable Meeting in Mumbai on 'Opportunities for Aircraft Leasing from GIFT IFSC'	IFSC organized a roundtable meeting with aircraft lessors, airlines, financial institutions and related market participants in Mumbai. During the meeting, a detailed presentation was made on various progressive policy and tax reforms carried out by the Government of India to enable the growth of Aircraft leasing business in GIFT IFSC.
	Roundtable Meeting in Mumbai on 'Funds ecosystem in GIFT IFSC'	IFSCA organized a roundtable meeting with leading Fund Managers in Mumbai. As part of the roundtable interaction, IFSCA officials presented the regulatory and tax landscape for asset management industry in GIFT IFSC.
	Webinar on Global Education Conclave 2.0	IFSCA officials virtually participated in the Global Education Conclave 2.0 organized by One Step Global to disseminate International Branch Campus opportunities available to foreign universities in GIFT IFSC.
November 2023	Event: The Network Forum-Asia	IFSCA officials participated in The Network Forum- Asia event held in Mumbai. During the event, a detailed presentation was made by IFSCA official on "Onboarding Indian Innovations to GIFT IFSC". During the event, various opportunities available to the startups community in GIFT IFSC were also presented.
	Meeting with Australian Self-Managed Super Fund	IFSCA officials held a meeting with the officials of the Australian Self-Managed Super Fund. During the meeting, IFSCA officials presented the regulatory and tax landscape for the asset management industry in GIFT IFSC.



Date	Particulars	Remarks
December 2023	APLMA India Loan Market Conference	IFSCA officials participated in the conference organized by Asia Pacific Loan Market Association (APLMA) on the India Loan Market opportunities. During the conference, IFSCA officials presented various business opportunities available in India's maiden IFSC in GIFT City.
	Webinar on Listing of Indian Companies on foreign exchanges	IFSCA officials participated in a webinar organized by American Bar Association on listing opportunities in GIFT IFSC. During the webinar, IFSCA officials presented the business and regulatory landscape available for the entities looking to list their securities on the International Stock Exchanges in GIFT IFSC.
	Wings India 2024 Hyderabad	IFSCA officials participated in Wings India conference organized by Ministry of Civil Aviation. IFSCA officials also participated in the Panel Discussion on Aircraft Leasing & Financing
	Meeting with Global Organization of People of Indian Origin (GOPIO)	IFSCA officials held a meeting with Global Organization of People of Indian Origin (GOPIO) highlight the present regulatory and business opportunities in GIFT IFSC.
	Event on GIFT IFSC Opportunities organized by PHD Chamber of Commerce and Industry	Chairperson, IFSCA gave the keynote address at the event organized by PHD Chamber of Commerce and Industry on GIFT IFSC opportunities in New Delhi.
	Workshop on 'GIFT City – Global / Regional Treasury Centre (RTC)'	IFSCA officials participated in the workshop organized by Standard Chartered Bank on GIFT IFSC – Global / Regional Treasury Centre (RTC) opportunities in GIFT IFSC.
	Webinar to discuss IBC opportunities for Irish Universities in GIFT IFSC	IFSCA officials participated in a Webinar organized by Ireland India Business Association for Irish Universities to understand International Branch Campus opportunities in GIFT IFSC.
	IOSCO Asia-Pacific Regional Committee (APRC)	A delegation from IFSCA participated in the International Organization of Securities Commission (IOSCO) Asia-Pacific Regional Committee (APRC) and the EU-Asia Pacific Regulatory Forum held from February 26-28, 2024, in Hong Kong.

Date	Particulars	Remarks
March 2024	Workshop on "Potential of Civil Aviation Sector in Indian Economy"	IFSCA officials participated in workshop on "Potential of Civil Aviation Sector in Indian Economy" to present aircraft financing and leasing ecosystem in GIFT IFSC.
	Meeting with Taiwan Bankers Association	IFSCA officials participated in a Virtual Conference (VC) organized by Taiwan Bankers Association to discuss banking sector opportunities in GIFT IFSC. During the meeting, IFSCA officials presented the business and regulatory landscape of the banking sectors in GIFT IFSC.
	PHD Chamber of Commerce and Industry Event: Where Finance meets Technology	IFSCA officials participated in the event organized by PHD Chamber of Commerce and Industry in GIFT City. During the event, IFSCA officials presented various business opportunities available in GIFT IFSC across banking, funds industry, insurance, FinTech, etc.



SECTION-D



QUASI-LEGISLATIVE FUNCTIONS OF THE AUTHORITY //

IFSCA has been established as a unified regulator to develop and regulate the financial services market in the IFSCs in India. The Authority can perform all such executive, quasi-legislative and quasi-judicial functions in IFSCs, as are being performed by the domestic financial sector regulators in India, namely, RBI, SEBI, PFRDA and IRDAI. Section 12 of the IFSCA Act, 2019 empowers IFSCA to develop and regulate financial products, financial services, and financial institutions in an IFSC. It can also recommend to the Central Government certain financial products, financial services, and financial institutions which may be permitted in an IFSC. Further, under section 13 of the Act, IFSCA can exercise all powers exercisable by the aforesaid four domestic regulators with respect to certain Acts specified under the First Schedule of the Act in so far as they relate to financial products, financial services, and financial institutions in the IFSCs.

The Authority while exercising its quasi-legislative powers has notified regulations on multiple areas. Apart from the core activities of banking, capital markets and insurance, the regulations have also been framed on administrative and miscellaneous matters. To give effect to the functioning of various financial products and financial services regulated by the Authority, the following regulations, major notifications, guidelines, and circulars have been issued:

Table 30 : List of Regulations

Sr. No	Regulations	Date of Issue	Objectives
1	IFSCA (Re-insurance) Regulations, 2023 IFSCA/2022-23/GN/REG036	11/04/2023	The regulations inter-alia provides for detailed framework for oversight and control of inward and outward arrangement of re-insurance by the IFSC Insurance Offices (IIOs), wherein a part of the risks assumed by an IIO is ceded to another IIO or the re-insurer.
2	IFSCA (Fund Management) (Amendment) Regulations, 2023 IFSCA/2022-23/GN/REG034	11/04/2023	Vide the amendments the funds of a client availing portfolio management services (other than those availing only advisory services) may be maintained in: (a) a specific bank account of the FME in a Banking Unit. (b) a specific bank account of the client in a Banking Unit, a bank in India or a Foreign Jurisdiction; or (c) any other manner as may be specified by the Authority.
3	IFSCA (Assets, Liabilities, Solvency Margin and Abstract of Actuarial Report for Life Insurance Business) Regulations, 2023 IFSCA/2022-23/GN/REG039	19/04/2023	The Authority has issued these regulations to inter-alia provide for the regulatory requirements towards maintenance of capital and solvency margins for transacting insurance business by IIOs registered with the Authority, whether set up in an incorporated or in unincorporated form in the IFSC.
4	IFSCA (Assets, Liabilities, and Solvency Margin of General, Health and Re-insurance business) Regulations, 2023 IFSCA/2022-23/GN/REG038	19/04/2023	
5	IFSCA (Management Control, Administrative Control and Market Conduct of insurance business) Regulations, 2023 IFSCA/2022-23/GN/REG035	26/04/2023	In order to strengthen the regulatory framework related to Management Control, Administrative Controls and Market Conduct of insurance business carried out by IFSC Insurance Office (IIO) or IFSC Insurance Intermediary Office (IIIO), the Authority has issued comprehensive regulations by adopting



Sr. No	Regulations	Date of Issue	Objectives
			international best practices. The regulations <i>inter-alia</i> provides regulatory framework for - (1) Capital related issues and Management control; (2) Minimum Limits for Annuities and other Benefits; (3) Acquisition of Surrender and Paid up values; (4) Expenses of Management of IIOs; (5) Payment of Commission or Remuneration or Reward to Insurance Intermediaries; (6) Protection of Policyholders' Interests; and (7) Insurance Advertisements and Disclosure.
6	IFSCA (Banking) (Amendment) Regulations, 2023 IFSCA/2023-24/GN/REG041	06/07/2023	The regulations inter-alia amended the certain definitions under IFSCA (Banking) Regulations, 2020. The definition of "IFSC Banking Company" was included in order to enable Banking Unit subsidiary company of the Parent Bank. Further, under the First Schedule specified 11 foreign currencies inter-alia include US Dollar (USD), Euro (EUR), Japanese Yen (JPY), UK Pound Sterling (GBP), Canadian Dollar (CAD), etc.
7	IFSCA (Capital Market Intermediaries) (Amendment) Regulations 2023 IFSCA/2023-24/GN/REG040	10/07/2023	Certain new definitions have been inserted under the IFSCA (Capital Market Intermediaries) Regulations, 2021. The inclusion inter-alia include definition of "capital market intermediary", "distributor" and "registered distributor".
8	IFSCA (Investment by International Financial Services Centre Insurance Office) (Amendment) Regulations, 2023 IFSCA/2023-24/GN/REG042	25/10/2023	Minor changes in the provisions of the IFSCA (Investment by International Financial Services Centre Insurance Office) Regulations, 2022 have been carried out.
9	IFSCA (Payment Services) Regulations, 2024 IFSCA / GN / 2024 /001	29/01/2024	The regulations inter-alia lay down the framework for entities providing the following payment services to seek authorisation from IFSCA: a) Account issuance service (including e-money account issuance service); b) E-money issuance service;

Sr. No	Regulations	Date of Issue	Objectives
			<p>c) Escrow service;</p> <p>d) Cross border money transfer service; and</p> <p>e) Merchant acquisition.</p> <p>By enabling the above services to be provided out of IFSC, the regulations allow financial institutions in IFSC to provide as well as receive a wide range of financial services that facilitate the transfer of money between individuals, businesses, and other entities.</p> <p>The regulations would also permit Indian FinTech entities looking to offer their products globally to develop IFSC as their base to expand their offerings to jurisdictions across the world.</p>

Table 31 : List of Major Notifications

Sr. No	Notifications	Date of Publication	Purpose of Notification
1	Enabling lease of 'Aviation training simulation devices' as a financial product in IFSC IFSCA/2022-23/GN/037	11/04/2023	To notify an operating lease, including hybrid of operating and financial lease, in respect of 'Aviation training simulation devices', as a financial product, u/s 3(1) (d) of IFSCA Act, 2019.
2	Notification of Book-keeping, accounting, taxation and financial crime compliance services under as financial service under the IFSCA Act, 2019 S.O. 291(E)	18/01/2024	To notify the following services as financial services, u/s 3(1) (e) of IFSCA Act, 2019 namely:- i) book-keeping services; ii) accounting services; iii) taxation services; and iv) financial crime compliance services.
3	Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2024 S.O. 332 (E)	24/01/2024	The notification was issued to make certain amendments in the Foreign Exchange Management (Non- debt Instruments) Rules, 2019. The amendments inter-alia was carried out under certain definitions. Additionally, new schedule was inserted under the aforesaid rules, pertaining to Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme.



Sr. No	Notifications	Date of Publication	Purpose of Notification
4	Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 G.S.R. 61(E)	24/01/2024	<p>The notification was issued by Ministry of Corporate Affairs. The Rules extend to unlisted and listed public companies that seek to issue securities for listing on permitted stock exchanges in permissible foreign jurisdictions, including the International Financial Services Centre (IFSC).</p> <p>The rules inter-alia specifies the India International Exchange and NSE International Exchange as permitted platforms for such listings. Moreover, the MCA has identified certain entities that are not eligible under these regulations, which include Nidhi Companies and companies limited by guarantee.</p>
5	Delegation of powers of Development Commissioner under SEZ Act to Administrator (IFSCA) S.O. 940(E)	28/02/2024	<p>As a measure of unifying the regulatory framework and for ease of doing business to the Units proposing to set up their offices in GIFT IFSC, the Government of India vide Gazette Notification u/s 31 of the IFSCA Act, 2019 dated 28.02.2024 has vested the powers of Development Commissioner under SEZ Act 2005, with respect to IFSC units, to an officer nominated by the IFSCA to be designated as "Administrator (IFSCA)".</p> <p>This move aims to ensure that instead of following up with the offices of IFSCA and Development Commissioner of GIFT SEZ, now the entities can approach only IFSCA for all the required approvals, whether under SEZ Act or IFSCA Act.</p>

Table 32 : List of Major Circulars/ Guidelines

Sr. No	Circulars/Guidelines	Date of Issue	Objectives
1	Addendum to the circular related to "Framework for enabling ancillary services at International Financial Services Centre" (Ancillary Framework) 206/IFSCA/Anc. Aux /2020-21	06/04/2023	The Addendum was issued to include following ancillary services under the head of Professional Services under the Ancillary Framework: (I) Voice broking services to entities in IFSC or from outside India in relation to business of banking; (ii) Ship broking for permitted activities under "IFSCA Framework for ship leasing".
2	Utilisation of office space or manpower or both by entities undertaking aircraft leasing activity in the International Financial Services Centre 535/IFSCA/FC/ALF/2023-24/02	18/04/2023	The amendment to SEZ Rules, vide insertion of Rule 21B exempted Finance Company (FCs) or Finance Unit (FUs) undertaking aircraft leasing activity in IFSC from the requirement of maintaining separate office, alternatively enabled them to utilise office space or manpower or both, of a FC or FU undertaking aircraft leasing activity in IFSC, post seeking approval from IFSCA. In furtherance to this, the Guidelines were issued specifying the conditions and other requirements for utilisation of office space or manpower or both by entities undertaking aircraft leasing activity in the IFSC.
3	Direct Market Access (DMA) facility IFSCA/CMD- DMIIT/EXCHTRD/2023-24/001	21/06/2023	The DMA Facility allows Broker-Dealers to offer their clients direct access to the trading system of the Stock Exchange, through the Broker-Dealer's trading systems, without any manual intervention by the Broker-Dealer. The circular inter-alia specified responsibilities of the Broker-Dealer & due diligence of prospective clients, facility of Sponsored Access (SA), Sub-delegation of DMA/SA., etc.
4	Co-location facility offered by the Stock Exchanges IFSCA/CMD- DMIIT/EXCHTRD/2023-24/002	23/06/2023	The circular inter-alia provides for Fair and equitable co-location services with respect to the data centres that are owned and managed by the Stock Exchange, among other things.



Sr. No	Circulars/Guidelines	Date of Issue	Objectives
5	The IFSCA Banking Handbook: Prudential Directions – V 4.0 (PRU)	10/07/2023	<p>The directions under these PRU modules are aimed at establishing certain minimum non-quantitative prudential requirements that shall be applicable for the IBUs set up as branches in IFSC, in addition to those applicable on them as a branch of the Banking Company under the respective Home Regulations. The PRU modules cover the qualitative aspects of prudential requirements in respect of governance, governing board responsibilities, policies, systems, and controls to be made applicable on IBUs.</p> <p>The V 4.0 (PRU) has inter-alia amended certain provisions pertaining to direction on Stress testing and guidance for undertaking stress testing.</p>
6	The IFSCA Banking Handbook Conduct of General Directions- V 4.0 (GEN)	10/07/2023	<p>The IFSCA Banking Handbook ('Handbook') contains the directions of the Authority to the Banking Units (BUs) operating as branch of a Banking Company (also referred to as 'parent bank' in the IFSCA Banking Regulations).</p> <p>This module deal with licencing of IBUs, defining 'controlled' and 'designated' functions and the requirements from 'approved /authorised individuals' who can carry out such functions. The GEN directions also lay out the broad principles for banking business and provide information about the Authority's supervisory powers, functions, and approach.</p> <p>The GEN Directions V 4.0 has amended the provisions inter-alia pertaining to Principles of Governance, Outsourcing.</p>
7	The IFSCA Banking Handbook: Conduct of Business Directions- (CoB) V 5.0	10/07/2023	<p>The CoB directions are aimed at ensuring that IFSC Banking Units (IBUs) meet the minimum standards of conduct expected, particularly with regard to the treatment of their clients, their dealings with counterparties and other market participants.</p> <p>The CoB 5.0 amends certain provisions related to definition and permitted activities.</p>

Sr. No	Circulars/Guidelines	Date of Issue	Objectives
8	Framework for grant of funds for research studies by IFSCA 1068/IFSCA/EPA/Research/2023-24	04/12/2023	IFSCA issued the circular on "Framework for Grant of Funds for Research Studies by IFSCA" to conduct research studies with the objective to aid IFSCA in designing policies and in evaluating the impact of implemented policies in GIFT IFSC by undertaking effective research backed by strong analytical and empirical formulations.
9	Permitting International Branch Campuses (IBCs) and Offshore Educational Centres (OECs) at GIFT-IFSC to avail infrastructure services from Academic Infrastructure Service Providers (AISPs) IFSCA BDev./FU/1/2023-BD	14/12/2023	The circular is issued in order to facilitate setting up of high-quality campus infrastructure facilities in GIFT IFSC, this circular is being issued to specify conditions for IBCs and/or OECs for availing infrastructure and other support services from an ISP. While the AISPs shall be governed as per the provisions of the SEZ Act 2005, applicable rules and regulations, the IBCs/OECs shall adhere to the conditions specified in this circular, for availing their services. The enablement under the aforementioned circular shall only govern the relationship between AISP and IBC/ OEC and does not apply to an IBC/OEC seeking support services other than Campus Infrastructure Services.



Policies and Programmes for the following year

Establishing and Promoting GIFT IFSC as a hub for dispute resolution

In the Union Budget 2022-23, Hon'ble Finance Minister announced setting up of an International Arbitration Centre (IAC) in GIFT City for timely settlement of disputes under international jurisprudence.

In order to establish and to operationalise the IAC at GIFT IFSC a robust team of experts in the field of International Commercial Arbitration and Alternate Dispute Resolution is pre-requisite. Accordingly, IFSCA had constituted an "*Expert Committee on drafting Institutional Arbitral Rules for International Arbitration Centre (IAC) at GIFT IFSC and matters incidental thereto*" (IAC Committee) on May 25, 2023.

The committee inter-alia includes the following broad terms of reference:

- i. To suggest and guide in preparing a roadmap for making GIFT-IAC a hub for alternative dispute resolution of international financial and commercial disputes.
- ii. To suggest regulatory design, legal framework including regulations, and procedures of the proposed dispute resolution centre in relation to:
 - a. Institutional framework for the legal and administrative structure of the proposed GIFT-IAC and the roles and responsibilities of its Governing Body.
 - b. Institutional rules for arbitration, mediation, and other hybrid mechanisms of alternative dispute resolution, such as mediation-arbitration, arbitration-mediation-arbitration, neutral evaluation, etc.
 - c. Institutional framework for online dispute resolution, third-party funding in alternate dispute resolution proceedings and technology-related services existing in major established dispute resolution centres.

Programs envisioned

The report of the Expert Committee is expected to be submitted in the month of May/ June 2024. IFSCA will strive to implement the recommendations of the committee by seeking requisite legal enablers and other policy changes and the same would be taken up with Department of Economic Affairs. In order to popularize and promote GIFT IFSC as a seat of international commercial arbitration and mediation, the following initiatives are envisaged to be undertaken:

- (i) A global conclave to be organized highlighting the unique benefits of GIFT IFSC as a seat for dispute resolution;
- (ii) Collaboration with agencies, major global arbitration and mediation centres and practitioners; and
- (iii) Outreach programs to be conducted in order to onshore the offshores disputes and practitioners.

Amendments under IFSCA Act, 2019

In order to create an overarching framework for IFSC in India and to bring futuristic changes in IFSCA Act, 2019 the Department of Economic Affairs has constituted a committee on May 23, 2023, for drafting amendments to the IFSCA Act, 2019. In view of this, the IFSCA has examined the IFSCA Act & other relevant Acts and proposed amendments inter-alia in relation to dispute resolution mechanism in IFSC, Ancillary Services, Variable Capital Companies, and enforcement powers for newly notified financial products and financial services, etc. The proposed amendments are being pursued by IFSCA.

Introduction of IFSCA (Informal Guidance) Scheme, 2024

As the financial sector operates within a highly regulated environment characterized by various laws, regulations, and guidelines aimed at safeguarding investors' interests, ensuring market integrity, and maintaining financial stability. In this regard IFSCA is envisaging to issue interpretative letters, no-action letters, and informal guidance to provide clarity, guidance, to financial institutions. These regulatory instruments play a crucial role in clarifying regulatory requirements, resolving interpretative ambiguities, and facilitating compliance efforts within the financial industry.

Review of IFSCA Regulations

As per the Regulation 7 of the IFSCA (Procedure for making Regulations) Regulations, 2022, the Authority (IFSCA) shall review each regulations every three years, keeping in view the factors specified under the said regulation. Accordingly, a holistic examination of relevant regulations which have completed three years are being undertaken. In respect of some new areas, IFSCA has in the past issued the regulatory framework in the form of circulars/ guidelines/ notifications etc. In view of this, IFSCA is in contemplating to evaluate such circulars to convert them into Regulations after gaining sufficient experience.



SECTION-E



PERFORMANCE ASSESSMENT //

Section 17(3) of the IFSCA Act, 2019 provides the mechanism to review the performance of IFSCA. Section 28(2)(d) of the IFSCA Act, 2019 provides IFSCA the powers to make regulations in respect of Performance Review Committee. Accordingly, IFSCA (Performance Review Committee) Regulations, 2022 (“PRC Regulations”), were notified on March 23, 2022, providing the framework for constitution, scope, information sharing and reporting relating to functioning of Performance Review Committee (“PRC”).

The following three committees were formed to review the functioning of the Authority:

Committee on Compliance

The scope of the committee is to review whether the authority has adhered to the provisions of the applicable laws while exercising powers or performing functions under the Act.

Members of the Committee

- (i) Shri Bahram Vakil, Independent Expert (Chairperson of the Committee)
- (ii) Member from RBI (Shri Saurav Sinha, ED)
- (iii) Member from SEBI (Shri Pramod Rao, ED)
- (iv) Shri J Ranganayakulu, Independent Expert Major

Recommendations of the Committee

- (i) IFSCA is largely in compliance with the provisions of IFSCA Act, 2019 and IFSCA (Procedure for making Regulations) Regulations, 2021 while issuing the regulations notified in FY 2022-23. IFSCA has followed a consultative approach for framing of the regulations in general.
- (ii) Benchmarking with global best practices: While IFSCA has made references to the global best practices in the consultation paper and expert committee reports in respect of some of the regulations notified in FY 2022-23, this approach may be followed in respect of all the regulations notified by IFSCA, wherever necessary. The benchmarking with global standards and best practices of other jurisdictions will contribute towards a better policy formation aimed at serving several objectives such as promoting ease of doing business, managing systemic risk and robust regulatory regimes. In this regard, the Committee also suggests that concept papers at an early stage of policy making may also be floated, wherever desirable.

Committee on Transparency and Best Practices of Governance

The scope of the committee is to review whether the regulations made by the Authority to give effect to the provisions of the Act promote transparency and best practices of governance.

Members of the Committee

- (i) Dr. M. S. Sahoo, Independent Expert (Chairperson of the Committee)
- (ii) Member from Department of financial Services (Shri Pankj Sharma, Joint Secretary)

- (iii) Member from PFRDA (Shri Ananta Gopal Das, ED)
- (iv) Shri M V Nair, Independent Expert

Major Recommendations of the Committee

- (i) Starting its journey about three years ago, the IFSCA has made significant strides in developing and regulating GIFT IFSC. More importantly, IFSCA has adopted certain best practices of governance in a short span from the commencement of its operations. The regulations specifying the procedure for making regulations and conducting board meetings are commendable illustrations of these practices. On top of it, the Authority has embarked on a review of its performance, which is a rarity in the Indian regulatory landscape. The Committee takes notice of these practices and applauds the IFSCA for embedding them into the organisational DNA at such an early stage. The implementation of the suggestions made by the Committee may put the Authority on the path of a model regulator.
- (ii) Regulatory clarity and predictability are key to ease of doing business. A business entity most often wishes to do business, and not be a victim of legal ambiguity. In its sincerity to comply with the law, it may need clarity and comfort before it executes a transaction. Regulations may enable a stakeholder to seek clarification, interpretation, or 'no action letter' from the Authority in case of doubt. The Authority may establish an institutional mechanism that provides informal guidance on the provisions of the law as well as 'no action letter' in case of proposed transactions.

Committee on Risk Management

The scope of the committee is to review whether the Authority is managing risks to its functioning in a reasonable manner.

Members of the Committee

- (i) Member from IRDAI (Shri P. K. Arora, Whole Time Member) (Chairperson of the Committee)
- (ii) Member from Department of Economic Affairs (Ms. Surbhi Jain, Joint Secretary)
- (iii) Shri Sriram Balasubramanyam, Independent Expert
- (iv) Shri G Srinivasan, Independent Expert

Major Recommendations of the Committee

- (i) In the initial period, the focus should be on creating an appropriate risk management framework at IFSCA for its functioning as a regulator, rather than conducting a comprehensive review.
- (ii) By enhancing its regulatory framework, IFSCA can adapt to emerging risks and market developments, foster international cooperation, and ensure effective enforcement. Implementing risk-based supervision allows IFSCA to allocate regulatory resources efficiently, prioritize supervisory efforts, and stay ahead of potential risks. Furthermore, investments in technology and cybersecurity enable IFSCA to improve operational efficiency, data management, and protection against cyber threats.

Recommendations of the Committees along with Action Taken Report have been submitted to central Government.



SECTION-F



SOURCE OF FUNDS AND MAJOR AREAS OF EXPENDITURE (FY 2023-24)

Table 33 : Sources of Funds for FY 2023-24

Sources of Fund – Receipts	Amount (INR Lakhs)
Annual Fees	2,499.46
Application Fees	254.40
Broker Turnover Fees: Capital Markets	1,232.24
Turnover based fee from Insurance Offices	20.06
Listing Fees	2.49
Registration Fees	2,192.96
Other Fees (Processing fee etc.)	64.77
Government Grants	6,463.54
Interest income	695.33
Fees from Miscellaneous Services	1.16
Other Incomes	54.31
Total	13,480.72

Table 34 : Break Up of Government Grants for FY 2023-24

Major Areas of Expenditure – Payments	Amount (INR Lakhs)
Grants in Aid for Salary	3,663.54
Grants in Aid for General	1,300.00
Grants in Aid for creation of Capital	1,500.00
Total	6,463.54

Table 35 : Major Areas of Expenditure for FY 2023-24

Major Areas of Expenditure – Payments	Amount (INR Lakhs)
Establishment Expenses	3,782.15
Administrative Expenses	1,974.58
Purchase of Fixed Assets (including payment made for Headquarter Land/Building)	3,919.06
Security Deposit for C-DAC	1.00
Total	9,676.79

SECTION-G



ORGANISATIONAL MATTERS //

Authority Structure

Table 36 : Authority Structure as on March 31, 2024

Department	Divisions
Banking Supervision	Banking Supervision
	Finance Company Supervision
Banking	Finance Company Regulation
	Payment and Settlement
	Banking Regulations
Capital Markets	Corporate Finance – Equity, Hybrid and related products
	Corporate Finance – Debt and Sustainable Finance
	Market Infrastructure Institutions – Regulation and Supervision
	Investment Funds - I and New Products & Services
	Investment Funds - II
	Supervision of Intermediaries
Insurance & Pension	Insurance
	Pension
Metals and Commodities	Market Development
	Market Regulation
Development	Development of Financial Markets
	Foreign University
	Economic Policy and Analysis
	International Affairs
	Outreach and Communication
	Ease of Doing Business Cell

Department	Divisions
General Administration	Administration and HR
	Treasury Finance and Accounts
	Rajbhasha
	Project Management Unit (International Events, Conferences and Summits)
Technology	Information Technology
	FinTech
Policy and Legal Affairs	Legal Policy
	Legal Affairs
	Investor Education and Protection
	SEZ
Regulatory Policy and Regulatory Affairs	Regulatory Cooperation
	Risk Based Supervision Cell
	SupTech
	Anti Money Laundering and CFT
	Global-In-House Centre and Ancillary Services
	Cyber Security

Authority Meetings

Table 37 : IFSC Authority Meetings held in FY 2023-24

Sr. No.	Meeting	Date
1	15 th Authority meeting	June 26, 2023
2	16 th Authority meeting	September 27, 2023
3	17 th Authority meeting	December 29, 2023
4	18 th Authority meeting	March 27, 2024



Human Resources

Table 38 : Sanctioned and Actual strength of employees

Position	Sanctioned strength as on 31.03.2024	Actual strength as on 31.03.2024
Executive Director	6	3
Chief General Manager	12	5
General Manager	16	15
Deputy General Manager	20	6
Assistant General Manager	27	6
Manager	35	15
Assistant Manager	47	33
Executive Assistant/ Senior Executive Assistant/ Executive Superintendent	27	0
Multi-Tasking Staff Grade A/ Grade B/ Grade C*	13	3
TOTAL	203	86

*The requirements are being partially met through outsourcing

Being a unified financial sector regulatory Authority, IFSCA requires the expertise and skill set of Young Professionals/Consultants/Sr. Consultants in the fields of Capital Market, Banking, Insurance, Bullion, Funds Management, FinTech, etc. In accordance with the guidelines for engagement of consultants on a contractual basis, the Authority has engaged the consultants as mentioned in the table below:

Table 39 : Consultants at IFSCA as on March 31, 2024

Sr. No.	Position	Number	Remarks
1	Sr. Consultants	3	Full time basis
2	Consultants Grade1/Grade2	9	Full time basis
3	Young Professionals	12	Full time basis
4	Adviser	1	Part-time basis

Right to Information

Table 40 : Status of RTI applications during FY 2023-24

Requests Received	Initial Action to Be Taken	Total number of RTI requests replied					Pending Requests
		Information Provided	Rejected	Transferred To Other Public Authority	Returned To Applicant		
232	0	219	2	1	0		10

IFSCA Headquarters Building Project

The headquarters building of IFSCA ("IFSCA Tower") is planned to have a built-up area of over 3,00,000 square feet spread across 26 floors with best-in-class modern amenities and a magnificent panoramic view. In keeping with the Smart City concept of GIFT City, the IFSCA Tower has been designed to be a platinum rated green building with a highly efficient and sustainable structure. It is believed that as grand as this building is in its architecture, it will also create unlimited opportunities to make India an economic superpower.

As on March 31, 2024, the construction work for fourteen floors has been completed and schematic floor layouts for the interior fit-outs package have been finalized. Finishing & Mechanical, Electrical, Plumbing, and Fire Protection (MEPF) work has also started simultaneously, and the building is expected to be fully functional by March 2025. Once completed, IFSCA Tower will emerge as a monumental edifice in GIFT City and symbolize the dreams and aspirations of a New and Aatma Nirbhar Bharat.

IFSCA Celebrated Swachhata Pakhwada – "Swachhata Hi Seva - 2023"

IFSCA organised a Walkathon as part of 'Swachhata Pakhwada - Swachhata Hi Seva' on September 29, 2023. As part of the Pakhwada, IFSCA employees actively participated in the Walkathon and reaffirmed their commitment to cleanliness, sanitation, and waste management. Affirming their commitment to cleanliness, IFSCA employees took a Swachhta Pledge administered by IFSCA Chairperson.



Image 37 : IFSCA Employees taking Swachhta Pledge administered by Chairperson, IFSCA



Image 38 : Walkathon as part of 'Swachhata Pakhwada - Swachhata Hi Seva'

As part of 'Swachhata Pakhwada - Swachhata Hi Seva (SHS) 2023', from September 15, 2023, to October 02, 2023, IFSCA employees pledged their commitment to avoid single use plastic in their daily routine. IFSCA organised a cleanliness drive at PDPU Bridge Gift City. The drive concluded with segregation of collected waste into recyclable & non-recyclable categories.



Image 39 : Cleanliness drive at PDPU Bridge Gift City As part of 'Swachhata Pakhwada - Swachhata Hi Seva (SHS) 2023' by IFSCA employees

IFSCA Celebrated International Yoga Day 2023

The International Day of Yoga (IDY), which is celebrated across the world annually on June 21 since 2015, following its inception in the United Nations General Assembly in 2014, was celebrated at IFSCA (HQ) on June 21, 2023, with the adoption of Common Yoga Protocol, a 1-hour sequence of Yoga exercises designed by Yoga exponents in the country.

The theme of IDY 2023 was "Yoga is a way of life". Yoga being a physical, mental, and spiritual practice with ancient origins in India, employees of IFSCA practiced the Common Yoga Protocol, reaffirming their commitment to physical and mental wellbeing.

Vigilance awareness week 2023

As part of the Vigilance Awareness Week from October 30, 2023, to November 05, 2023, IFSCA Officers took Vigilance Pledge affirming their commitment towards integrity and ethics in public life. A spirited debate and discussion on topics "Best Practice in Governance to Prevent Corruption" and "Corruption is a Cancerous Limb" took place at the IFSCA on November 02, 2023, as a part of the Vigilance Awareness week marked by active participation from IFSCA employees.



Image 40 : IFSCA Officers taking Vigilance Pledge as part of Vigilance Awareness week

IFSCA organised a two-days Chintan Shivir

A two-days Chintan Shivir was organised on March 12-13, 2024, to deliberate and achieve the vision of Hon'ble PM that "IFSCA will not only become an enabler but will also support innovation and will also act as a catalyst for growth opportunities."

The Chairperson, IFSCA, Shri K Rajaraman, spearheaded the 'Chintan Shivir' held at Kevadia, Gujarat, aimed at fostering strategic insights and outlining future trajectories for IFSCA's role as a regulator. The event drew the active participation of IFSCA officers and employees, marking a pivotal milestone in charting the organization's course forward.

On first day, a tour to SoU and other state-of-the art infrastructure and facilities at Kevadia was organised. On the second day, the Chintan Shivir unfolded across six dynamic sessions, each delving into critical themes shaping the future of international finance and IFSCA's strategic positioning therein.

The first session, themed 'Future of Finance/Web 3.0/AI/Quantum Computing,' delved into the transformative potential of emerging technologies and their implications for financial services in the digital age. Discussions were made on the integration of AI, blockchain, and quantum computing in reshaping financial infrastructure and services from a regulatory perspective.

In the second session, 'IFSCA as a Global Climate Finance Hub,' participants explored avenues for IFSCA to spearhead sustainable finance initiatives, aligning with global efforts to combat climate change. Discussions revolved around fostering green investments and incentivizing climate-resilient financial products.

The third session focused on 'Culture Building in Organization,' emphasizing the significance of nurturing a cohesive organizational culture conducive to innovation, collaboration, and ethical

conduct. Strategies to foster a progressive work environment and cultivate talent were deliberated upon.

'Building a Global Brand for IFSCA' constituted the fourth session, where participants discussed strategies to enhance IFSCA's global visibility and credibility as a premier international financial centre. Emphasis was laid on effective branding, marketing initiatives, and strategic partnerships to bolster IFSCA's reputation on the world stage.

The fifth session, 'Regulatory Innovation Benchmarking to World's Best Jurisdictions,' centered on benchmarking IFSCA's regulatory framework against global best practices to ensure regulatory agility, efficiency, and investor confidence. Insights were gleaned from global regulatory frameworks to inform IFSCA's ongoing regulatory innovation endeavours.

Lastly, the sixth session, 'IFSCA for Viksit Bharat @ 2047,' envisioned IFSCA's role in driving India's economic growth and development aspirations, aligning with the vision for a prosperous and resilient India by 2047. Participants deliberated on strategies to leverage IFSCA's strengths in fostering economic inclusivity, innovation, and sustainable development across sectors. The Chintan Shivir served as a platform for robust deliberations, fostering collaboration, and charting a roadmap for IFSCA's continued evolution as a unified regulator.

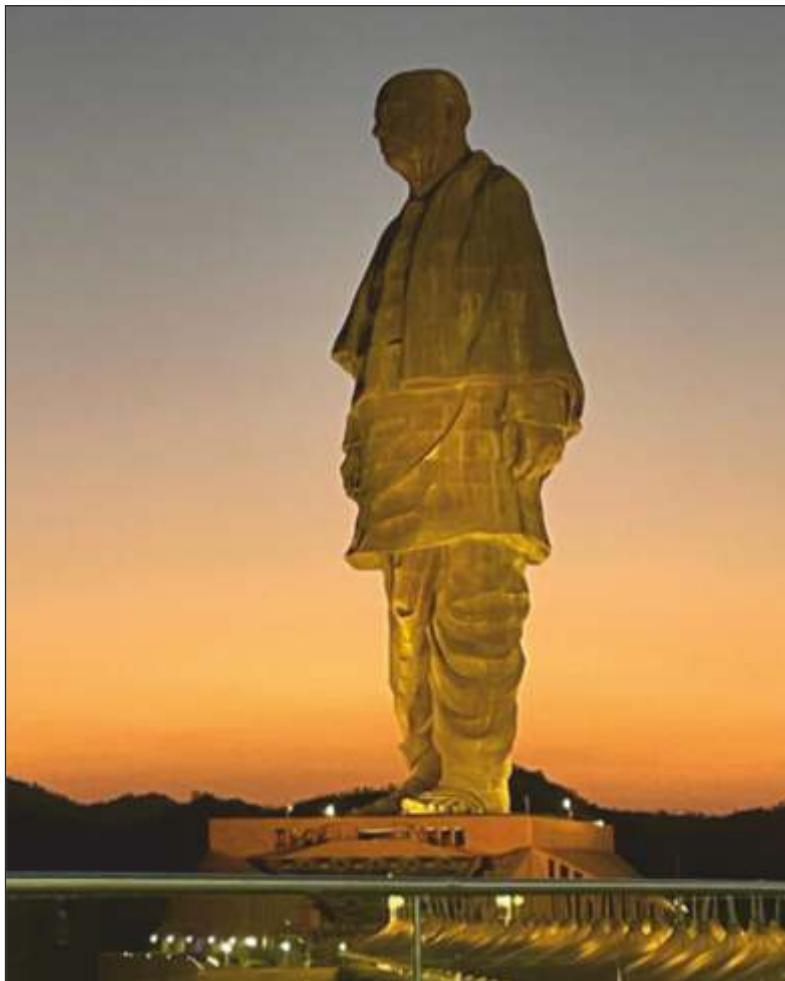


Image 41 : Visit of Statue of Unity, as part of Chintan Shivir 2024



Image 42 : City tour, as part of Chintan Shivir 2024

IFSCA celebrated 75th Republic Day

IFSCA celebrated India's 75th Republic Day at GIFT City in Gandhinagar with great enthusiasm and patriotism. Employees of IFSCA gathered to honor the occasion, reflecting on India's journey of 75 years since becoming a republic. The celebrations included a flag hoisting ceremony, cultural programs, and speeches. The event highlighted the nation's journey and achievements since becoming a republic, reflecting on the values and principles that have guided India's progress.



Image 43 : Flag hoisting ceremony on 75th Republic Day

IFSCA celebrated 77th Independence Day

The International Financial Services Centres Authority (IFSCA) celebrated India's 77th Independence Day at GIFT IFSC in Gandhinagar. The celebration commenced with a flag-hoisting ceremony, followed by an inspiring speech from Chairperson, IFSCA, highlighting India's economic milestones and future aspirations. The event fostered a profound sense of pride and patriotism among the participants, reflecting on India's journey to independence and its subsequent progress.



Image 44 : Flag hoisting on 77th Independence Day Celebration



Internal Complaints Committee: PoSH Act

An Internal Complaints Committee (ICC) was constituted on July 27, 2021, by the Competent Authority in compliance with Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH Act). The members of ICC include an External Member, along with Internal Members and the senior-most lady officer as the Presiding Officer.

During the Financial Year 2023-24, the ICC has not received any complaints. The ICC had four meetings, one in each quarter, during the year. Awareness programmes were also conducted for sensitizing IFSCA employees regarding the PoSH Act and the mechanisms available for resolution of any complaints. A session was also conducted by the External Member on the PoSH Act for the new employees.







International Financial Services Centres Authority

Annual Report 2023-24 Team

Dipesh Shah, Executive Director
Akshay Singh, Assistant General Manager
Chirag Ravat, Assistant Manager
Udisha Sharma, Young Professional



International Financial Services Centres Authority

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