

Sub: Framework for enabling Ancillary services at International Financial Services Centres

1. Considering the importance of service providers for the development of financial products, financial services and financial institutions in the IFSC, IFSCA vide circular no. 206/IFSCA/Anc. Aux/2020-21 dated February 10, 2021 issued a framework for enabling Ancillary Services (“framework”) in IFSC.
2. Pursuant to the above framework and feedback thereon, the following is clarified:
 - a. For the purpose of clause 1.D. of the framework, the following is clarified:

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, their branch thereof or any other form as may be approved by the IFSCA;
 - b. Clause 1.E. (ii) of the framework shall be substituted as follows:

(ii) Entities from foreign jurisdictions for various permissible ancillary services in the IFSCs in India or overseas;
 - c. The following sub-clauses shall be inserted after sub-clause (c) under clause 3.1- Professional services of Annexure I:

(d) Advisory and Facilitation Services to entities in IFSC/outside India in relation to their capital raising activities outside India.

(e) Advisory and Facilitation Services to entities in IFSC/outside India in relation to their merger & acquisition or capital restructuring activities outside India.
 - d. Clause 4.3 of the Annexure I of the framework shall be substituted as follows:

“Services such as Trusteeship for AIFs, InvIT and REIT, Security Trustee and other related financial services such as escrow agent.”
 - e. The applicant under the framework shall not take client assets (including money), directly or indirectly in its custody and shall only provide permissible services within the prescribed framework. Further, the applicants shall seek IFSCA registration separately under the appropriate framework for undertaking regulated activities such as Debenture Trustee, Investment Advisor, AIF, Fund Management, etc.
 - f. Annexure II i.e. the application form for setting up as an Ancillary Service provider in IFSC shall be substituted and is annexed to this circular.
3. All other provisions specified in the framework dated February 10, 2021 shall remain

unchanged.

4. This circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.
5. A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in