

I. General Introductory Questions

1. What is GIFT-CITY?

Gujarat International Finance Tec-City (GIFT City) is an emerging global financial and IT services hub to facilitate the delivery of a wide range of financial services globally.

GIFT City is a Smart City and a planned commercial business hub located in Gandhinagar, Gujarat. It is a greenfield project providing modern amenities for commercial, residential and social purposes. There are two parts to the GIFT City:

I. Domestic Tariff Area (DTA) and

II. Multi-service Special Economic Zone (GIFT SEZ).

GIFT SEZ is India's maiden International Financial Services Centre (IFSC) set up under section 18 of the Special Economic Zone Act, 2005 ("SEZ Act 2005")

2. What is the difference between IFSC, GIFT-IFSC and IFSCA?

International Financial Services Centre (IFSC):

Section 18 of the SEZ Act, 2005 provides for the setting up of an IFSC in a Special Economic Zone (SEZ) post approval of the Central Government. By virtue of this, the Central Government approved for setting up country's maiden IFSC at the GIFT City, Gandhinagar. An IFSC enables entities to cater to customers outside the jurisdiction of the domestic economy. Such centres deal with flows of finance, financial products and financial services across borders in "Specified foreign currencies". The IFSC seeks to bring back those financial services transactions that are currently carried on outside India by overseas financial institutions and overseas branches/ subsidiaries of Indian financial institutions to the Indian shores.

The setting up of the IFSC in India is also aimed at tapping global capital flows to meet India's development needs and simultaneously provide a globally competitive financial platform for the full range of international financial services at the regional and global level.

for more details on "specified foreign currencies", please refer response to Q. No. 1 of Part V (other questions)

Gujarat International Finance Tec International Financial Services Centre (GIFT-IFSC):

GIFT IFSC is India's first IFSC located in GIFT City, Gandhinagar, Gujarat, India to provide world-class infrastructure and services for financial institutions operating in areas such as banking, insurance, capital markets, funds management and other financial products, services or institutions.

International Financial Services Centres Authority (IFSCA):

IFSCA is a statutory authority established by Government of India on April 27, 2020, under the IFSCA Act, 2019 with the mandate to regulate financial products, services, or institutions in IFSC. IFSCA as a unified regulator regulates activities related to Banking, Capital Market, Insurance, Pension funds and other financial products, services, or institutions in IFSC. In order to regulate them section 13 of the IFSCA Act, empowers the IFSCA to exercise all the powers exercisable by the appropriate regulators namely RBI, SEBI, IRDAI and PFRDA under their respective Acts as specified under the First Schedule of IFSCA Act, in so far as the matter related to regulations of financial products, services or institutions in IFSCs.

The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the entire region and the global economy as a whole.

3. What are the benefits of setting up operations in GIFT IFSC?

The financial institutions enjoy certain benefits for setting up operations in GIFT IFSC. Some of the benefits include: a state-of-the-art infrastructure at par with other leading global financial centres, a liberal tax regime, financial incentives, and a strong regulatory and legal environment.

II. FinTech Entity Framework (Authorization and Limited Use Authorisation)

1. What is the recognition given by IFSCA to Entity engaged in providing Technology oriented solutions? Or

Please provide details of the FinTech Entity Framework circular issued by IFSCA.

IFSCA Circular dated April 27, 2022, on "Framework for FinTech Entity in the IFSCs" ("FE Framework") empowers IFSCA to grant Authorization or Limited Use Authorization to eligible domestic and foreign entities as a "Fintech Entity" ("FE") for carrying out fintech or techfin activities enumerated in Annexure-I of the FE Framework.

can apply to IFSCA to obtain Authorization, without entering into the Sandbox Vi [SWIT Portal](#) .For more details on the eligibility to apply please refer response to Q. No. 3 of this tab.

2. What is the difference between FinTech and TechFin under the FinTech Entity Framework of IFSCA ?

'FinTechs' are categorised as those entities providing financial technology solutions that result in new business models, applications, process,



or products in financial services regulated by IFSCA.

‘TechFins’ are those entities that provide an advanced/ emerging technology solution(s) which aid and assists activities in relation to financial products, financial services, and financial institutions.

3. Which entities are eligible to apply under the FE Framework?

The entity shall satisfy the following conditions:

1. In case Applicant is from India:

I. An entity registered with DPIIT as a start-up related to FinTech; or

II. A company or LLP incorporated in India; or

III. Branch of an Indian Company or LLP in IFSC; or

IV. An entity working directly or indirectly in the ecosystem regulated by RBI / SEBI/ IRDAI/ PFRDA

OR

2. In case Applicant is from Outside India: An entity from any jurisdictions except those jurisdictions which are identified in the public statement of FATF as “High-Risk Jurisdictions subject to a Call for Action” (i.e. black list

b) The entity shall undertake one of the activities under the permissible areas/ activities of FE Framework.

Please refer response to Q. No 2 of this tab above to understand the difference between a FinTech and TechFin.

[Click here](#) to know the Permissible Areas/ Activities of IFSCA under Fintech/ TechFin

4. What is the difference between Authorization and Limited Use Authorization

Please refer response to Q No. 1 above of this tab.

5. What are the types of Sandbox under Limited Use Authorization?

Please refer response to Q No. 1 above of this tab.

6. For seeking authorization, is profits (Gross/Net) mandatory criteria.

For an Entity seeking Authorization, a revenue earning track record in at least one of the last three financial years is mandatory.

Please refer response to Q No. 1 above of this tab to know more details about Authorization

7. When is a Security Assessment Report if available (Security Audit Certificate/ VAPT Certificate requiredch?

The Entity shall at all times ensure proper cyber security systems to protect against cyber threats, data leakage, payment security, etc.

While applying for Authorization under FE Framework, the Entity shall submit Security Assessment Report if available (Security Audit Certificate/ VAPT Certificate), (from Cert-In empanelled Auditor – if Indian Entity or from an equivalent nodal Agency- if Entity is from outside India). However, IFSCA may mandate the Security Assessment Report if available (Security Audit Certificate/ VAPT Certificate) for certain entities applying for Limited Use Authorization (Sandbox).

Further, once authorised by IFSCA as a FinTech Entity, the entity shall provide relevant certifications, Security Assessment Report if available (Security Audit Certificate/ VAPT Certificate reports or any other information / document / clarification on the matter, as sought by the IFSCA, from time to time.

8. What are the Applicable Fees and Application Forms for applying for Limited Use Authorization and Authorization under FE Framework?

1. Limited Use Authorization

Relevant Framework/Scheme: Framework for FinTech Entity in the IFSCs

Application Platform: SWIT Portal

Email for Queries: fe-sandbox@ifsc.gov.in

2. Authorization

Relevant Framework/Scheme: Framework for FinTech Entity in the IFSCs

Application Platform: SWIT Portal

Email for Queries: fe-sandbox@ifsc.gov.in

Both application types seem to follow the same framework and have the same point of contact for queries. If you're planning to apply or need more specific information about these application processes, the SWIT Portal is where you would go, and you can reach out to the email provided for further assistance.

9. What are the documents to be submitted along with the Application Form for submission of Application under Framework for FinTech Entity (Checklist of Documents)

III. Incentive Scheme and different types of grants

1. What is IFSCA FinTech Incentive Scheme and what type of Grants are offered by IFSCA and who are eligible for Grants?

IFSCA notified [IFSCA \(FinTech Incentive\) Scheme, 2022](#) ("the scheme"), with an objective to promote the establishment of a world class FinTech Hub, at GIFT IFSC by providing financial support to FinTech activities in the form of specific grant(s) as specified in the scheme, based on their eligibility and fulfillment of terms and conditions, as may be specified under the scheme.

The Grants contemplated under the Scheme shall be available to the eligible FinTech Entity (FE):

which is part of the IFSCA's Regulatory or Innovation Sandbox; (if you are not a part of it, please [click here](#) to know more about the Regulatory and Innovation Sandbox and thereby apply for the same));or

which is referred to the IFSCA under a **FinTech bridge arrangement with a Counterpart Regulator**; or

which has either participated or is participating in any **Accelerator or Cohort or Special Programme** supported or recognized by IFSCA; or

which is referred to IFSCA by an entity(ies) having **Memorandum of Understanding or collaboration or special arrangement** with it

The following are the different types of grants:

1. Grant Categories and Maximum Grant Amounts

1. FinTech Start-up Grant

Description:

Provided to a FinTech Entity (FE) referred to IFSCA by an entity having an MoU / collaboration / special arrangement with IFSCA.

Supports development of a Minimum Viable Product (MVP).

MVP = a version of a product with minimum features to obtain feedback from early users.

Maximum Grant Amount: INR 15 Lakhs

2. Proof of Concept (PoC) Grant

Description:

Supports demonstration of a concept/idea to test feasibility and potential.

For conducting a PoC in GIFT IFSC, globally, or in domestic/overseas markets.

Maximum Grant Amount: INR 50 Lakhs

3. Sandbox Grant

Description:

Provided to FinTech Entities selected under IFSCA Sandbox (Limited-Use Authorization) to experiment with innovative products/services.

Maximum Grant Amount: INR 30 Lakhs

4. Green FinTech Grant

Description:

For FinTech solutions that promote:

Sustainable finance

Sustainability-linked finance

ESG (Environmental, Social & Governance) investments

Maximum Grant Amount: INR 75 Lakhs

5. Accelerator Grant

Description:

To support accelerators/cohorts operating within GIFT IFSC.

Maximum Grant Amount: INR 10 Lakhs per Cohort

6. Listing Support at IFSC

Description:

For domestic FinTech Entities authorised by IFSCA seeking to list on IFSCA-recognised stock exchanges.

Maximum Grant Amount: INR 15 Lakhs

Sr. No. 1

Type of Application: All grants (except Accelerator Grant)

Relevant Framework/Scheme: IFSCA (FinTech Incentive) Scheme, 2022

Form: Download

Email for Submission: fe-incentive@ifsc.gov.in

Fees: USD 100 (Indian/Foreign applicants)



Sr. No. 2
Type of Application: Accelerator Grant
Relevant Framework/Scheme: IFSCA (FinTech Incentive) Scheme, 2022
Form: Download
Email for Submission: fe-incentive@ifsc.gov.in

Fees: USD 100 (Indian/Foreign applicants)

*For of payment fees, please [click here](#) to refer to the circular of IFSCA “Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme” dated April 08, 2025

2. What are the documents and details to be submitted along with Application form for Grants.?

The documents and details to be submitted along with Application form for Grants are mentioned in the Application form itself.

Please refer response to Q. No. 2 above of this tab to download the Application form for relevant type of grant, which mentions the details and documents to be submitted along with it.

IV. Accelerator

1. What is an Accelerator?

An accelerator is an entity whose focus/core area is to provide support to start-ups/growth-driven entities by conducting cohorts to enable them to scale fast. The support can be in the form of resources (people and money), mentors, connections, knowledge, etc.

2. What is the recognition given by IFSCA to Accelerators? Or

Please provide details of the FinTech Entity Framework circular issued by IFSCA for Accelerators

An accelerator seeking Authorization or Limited Use Authorization under the [Framework for FinTech Entity in the IFSCs](#) (“FE Framework”), shall conduct cohorts as per permissible Areas/Activities of IFSCA and thereby identify eligible FinTechs and/or Techfins, for their entry into [IFSCA’s Regulatory / Innovation Sandbox or Authorization](#)

[Click here](#) for an illustrative list of permissible areas/activities (FinTech/ Techfin) for cohorts and more details on the framework.

Below are the types of Authorization for an Accelerator:

I. Limited Use Authorization (LUA)

An Accelerator desirous to **operate from India or any other FATF compliant countries/ jurisdiction** shall seek Limited Use Authorization as FinTech Entity

II. Authorization

An Accelerator desirous to operate **from GIFT-IFSC** shall seeking Authorization as a Fintech Entity (IFSCA may grant ‘In principle approval to an Accelerator for a period of 120 days).

3. What are the eligibility criteria for Accelerators to apply under the FE Framework?

I If an Indian Accelerator:

An entity registered with DPIIT as start-up related to FinTech; or

A company or LLP incorporated in India; or

Branch of Company/ LLP in IFSC; or

An entity working directly or indirectly in the ecosystem regulated by RBI / SEBI/ IRDAI/ PFRDA

OR

II If a Foreign Accelerator: An entity from jurisdictions except those jurisdictions which are identified in the public statement of FATF as “High-Risk Jurisdictions subject to a Call for Action” (i.e. black list

III Additionally, the Accelerator to fulfil a minimum of two (02) of the below-mentioned eligibility Criterion:

have operated **at least one cohort** (physical, virtual and/or hybrid) [as per Annexure – I of FE Framework](#);

have experience in raising funds and/ or bringing Investors for its supported entities and a **minimum of cumulative INR Five Crores (50,000,000/-)** should have been raised by it for its supported entities;

have signed **Memorandum of Understanding(s)) with international Industry or Academic Partners, and similar kind** of institutions;



is a recognized Technology Business Incubator (TBI) by Department of Science & Technology (DST), Govt of India or have received grants from DST, Ministry of Electronics & Information Technology (MeitY) or Biotechnology Industry Research Assistance Council (BIRAC), National Institution for Transforming India (NITI Aayog) or similar institutions in other jurisdictions;

incubated a minimum of 100 start-ups in any jurisdiction;

have **incubated a minimum of 10 FinTech start-ups** in any jurisdiction;

have been assisted by Central/State Government(s) or any department/agency of Central/State govt in India or any [FATE compliant jurisdiction](#).

IV Additional Mandatory requirement for Accelerator seeking Authorization as FinTech Entity is that it shall have a revenue earning track record in at least one of the last three financial years

4. What are the requirements to be fulfilled by an Accelerator subsequent to receiving

Authorization/LUA (i)Cohort specifications

The Accelerator shall operate **at least one cohort** (physical/ virtual and/or hybrid) per year and the focus area(s) for a cohort(s) shall be as per **Annexure – I of FE Framework**.

Minimum Size of each Cohort shall comprise **10 FinTechs/ Techfins**.

Minimum duration of each Cohort shall be **1 Month**.

Maximum duration of each Cohort shall be **12 months**

The Accelerator shall ensure that FinTechs and/ or TechFins under its cohort(s) are

- a. from an FATF compliant Jurisdiction and
- b. comply with and develop proper procedures and systems for onboarding of their customers including KYC/AML/FATF checks/ monitoring etc. and also comply with the relevant Guidelines of IFSCA and any other relevant laws and regulations as may be applicable from time to time.

(ii) Others

The Accelerator shall share with IFSCA the details of planned cohorts within 3 months from the date of issuance of Authorization/ Limited Use Authorization letter by the Authority or at such regular intervals as mutually agreed with the Authority.

The Accelerator may advice FinTech and/or TechFins in its cohort(s) regarding (including but not limited to) adequate security systems to protect against cyber threats, data leakage, payment security relevant certifications, VAPT reports and the results (from Cert-In empanelled Auditor or an equivalent nodal Agency).

shall comply with clauses 15 to 23 of the FE Framework and other terms and conditions as may be prescribed by IFSCA from time to time.

(iii) Specific requirements for Accelerators which have been granted “Authorization” under FE Framework

operate from IFSCs in either of the following forms:

- i. Newly established/ incorporated body corporate in the IFSCs; or
- ii. a subsidiary of an Indian or foreign body corporate in IFSCs; or
- iii. establish a branch of Indian or foreign body corporate in IFSCs
- iv. shall have a bank account in any of the IFSCs Banking Units to accept remuneration/ funds in a Specified foreign currencies from any of its cohort(s) participants, stakeholder, or any other entity.



5.Is an Accelerator eligible for grant?

An Accelerator that has been granted **Authorization/ LUA as a FinTech Entity** shall be eligible to apply for the following number of grant(s) in a year, per focus area as mentioned below in accordance with International Financial Services Centres Authority (FinTech Incentive) Scheme, 2022:

One grant, for an accelerator not based in IFSC.

Three grants, for accelerator based in IFSC.

Please [click here](#) for more details

6. What are the Applicable Fees and Application Form for applying for Accelerator grant?

RELEVANT FRAMEWORK/ SCHEME	FORM FOR ACCELERATOR GRANTS	E-MAIL ID FOR SUBMISSION OF FORM AND RELEVANT DOCUMENTS	FEES
IFSCA (FinTech Incentive) Scheme, 2022	Download	fe-incentive @ifsc.gov.in	For all Applicants (Indian /Foreign): Application fee: USD 100

For **manner of payment for the above fees**, please [click here](#) to refer to the circular of IFSCA “**Fee Structure for the entities undertaking or intending to undertake permissible activities in IFSC**” dated May 17, 2023, as amended

V. Other Questions

1. Can an entity carry out rupee denominated transactions from
GIFT City? Or

What are the permissible currencies in which entities can transact / do their business in GIFT IFSC

GIFT City has two Zones:

I. Domestic Tariff Area (DTA)

II. Multiservice Special Economic Zone (SEZ) with International Financial Services Centre

All the domestic (Rupee-denominated/ INR) transactions can be undertaken from DTA.

As per section 20 of IFSCA Act, 2019 as follows:

Every transaction of financial services in an International Financial Services Centre shall be in such foreign currency as may be specified by regulations in consultation with the Central Government

All transactions in IFSCs shall be undertaken in specified foreign currencies and only via bank transfers

The IFSCA may allow transactions denominated in INR in IFSCs provided such transactions are settled in the specified foreign currencies. Therefore, transactions denominated in INR may be undertaken in IFSC, if expressly permitted by the IFSCA and settlement of such transactions shall be in a freely convertible foreign currency.

The following are the specified foreign currencies as per first schedule of International Financial Services Centres Authority (Banking) Regulations, 2020 (as amended):

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)

For more details on the aforesaid Regulation, kindly [click here](#)

2. Can an Entity focused on domestic (India) operations only, set up office in GIFT-IFSC?

An entity setting up office in GIFT-IFSC shall have focus on global outreach and opportunities and not cater only to domestic Indian market from GIFT IFSC. The use cases for setting operations in GIFT IFSC should be as below:

Landing Pad for Foreign FinTechs -to explore India markets

GIFT IFSC as a Market

Launch Pad for Domestic FinTechs - to go global

3. When is it mandatory to set up an office in GIFT – IFSC?

Limited Use Authorization (Sandbox): There is no requirement for an Entity to set up an office at GIFT IFSC during the Sandbox period unless a bank account is required to be opened in IFSC, if directed by IFSCA in its approval.

During its test conditions, if the entity (on the basis of said Limited Use Authorization of the IFSCA), is accepting any remuneration/funds from any of its customers, stakeholder or any other entity, it shall have bank account in any of the IFSC Banking Units (IBUs) and the same, is subject to a careful perusal of use-case(s) proposed by the Entity and appropriate guidance or approvals as relevant from the Competent Authority may be sought.

Authorization- Once Authorized by IFSCA as a “FinTech Entity” (FE), the FE shall establish an office in GIFT IFSC and commence its operations within 120 days from Authorization or any such timeframe as may be specified by IFSCA.

4. What is the mode of establishing an office/ entity in GIFT IFSC?

The Entity shall operate from GIFT-IFSC in either of the following forms:



Newly established/ incorporated body corporate in the IFSC; or

a subsidiary of an Indian or foreign body corporate in IFSC; or

establish a branch of Indian or foreign body corporate in IFSC

5. What is the process of establishing a Company /Limited Liability Partnership in GIFT IFSC ?

An entity desirous of establishing a company or Limited Liability Partnership in the GIFT-IFSC shall be incorporated under the provisions of Companies Act, 2013 or Limited Liability Partnership Act, 2008 respectively.

(i) For information on the process of incorporation may be referred at:

https://www.mca.gov.in/MinistryV2/incorporation_company.html

<https://www.mca.gov.in/LLP/pdf/HowToIncorporateLLP.pdf>

For ease of SEZ approval, establishing an office in GIFT IFSC, etc. please refer on the below link for various other requirements:

<https://www.giftgujarat.in/business/ifsc?tab=Start%20a%20business>

<https://giftsez.com/starting-business-at-gift-sez.aspx>

6. What are the relevant capital controls in India?

GIFT IFSC caters to the customers outside the jurisdiction of domestic economy. Such centres deal with the flow of finance, financial products, and services across the borders.

Under the Indian context, GIFT IFSC is a jurisdiction that provides financial services to non-residents and residents (Institutions), in foreign currency other than Indian Rupee (INR).

IFSC in India is treated as a “deemed foreign territory” located on Indian soil with a similar ecosystem at par with other offshore financial service jurisdictions.

As per Foreign Exchange Management (IFSC) Regulations, 2015, any financial institution or branch of a financial institution set up in the IFSC and permitted/recognised as such by the Government of India or a Regulatory Authority shall be treated as a person resident outside India.

Thus, the capital controls applicable in Indian jurisdiction are NOT APPLICABLE in GIFT IFSC. However, the applicability of the same on profits and dividends may be subject to the local tax and company laws and need further consideration. So, a discussion with a Tax Expert is advisable.

7. What are the relevant Withholding Taxes?

The applicability of Withholding Tax pertains to a specific activity and is also transaction-specific.

With respect to Income Tax, there is no distinction between an IFSC unit and a domestic unit as of now. Also, the presence of a Double Taxation Avoidance Agreement between India and the specific country is to be taken into account.

As per the Finance Bill, 2023:

a beneficial withholding tax rate of 10% under Section 115A read with Section 80LA for dividends received by non-residents from IFSC units shall be applicable.

the benefit of Section 194LC has also been extended at withholding rate of 9% to long-term bonds or rupee-denominated bonds issued after July 1, 2023, which are listed on recognised stock exchanges in IFSC.

In light of the above information, a discussion with a Tax Expert is advisable.

8. What is the applicability of Indian Legal System in GIFT IFSC and status of Arbitration mechanism in GIFT IFSC.?

Currently the Indian Legal System applies in GIFT-IFSC and the jurisdiction applicable is the Courts of Gandhinagar District, Gujarat.

Further it is also envisaged to set up an International Arbitration Centre in GIFT-City for timely settlement of disputes under international jurisprudence.

9. How can one book an office space at GIFT IFSC?

You may get in touch with GIFT City office for the same. Details as below:

Address: EPS - Building no. 49A, Block 49, Zone 04, Gyan Marg, GIFT City, Gandhinagar-382355.

Website: <https://www.giftgujarat.in/>

E-mail: query@giftgujarat.in

