



CIRCULAR

F. No. 172/IFSCA/Finance Company Regulations/2023-24/02

January 05, 2024

To,

Finance Companies/ Finance Units (FC/FUs) in the International Financial Services Centre (IFSC)

Subject: Inclusion of 'Finance Company' and 'Finance Unit' as 'Credit Institution' under clause (f) of section 2 of the Credit Information Companies (Regulation) Act, 2005

The International Financial Services Centres Authority ('IFSCA') received representations from industry stakeholders seeking inclusion of 'Finance Company' and 'Finance Unit', as defined under clause (e) and (f) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021 (hereinafter referred to as 'FC Regulations'), undertaking lending activities in the International Financial Services Centre (IFSC), as '*credit institution*' under clause (f) of section 2 of the Credit Information Companies (Regulation) Act, 2005 (hereinafter referred to as 'CIC Act').

2. Considering the above, the IFSCA in exercise of the powers conferred by section 13 of the International Financial Services Centres Authority Act, 2019 (hereinafter referred to as 'IFSCA Act'), read with section 33A and sub-clause (vii) of clause (f) of section 2 of the CIC Act, specifies 'Finance Company' and 'Finance Unit', undertaking following permissible activities in IFSC, as '*credit institution*':

- (i) lending in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease, and sale and purchase of portfolios, as specified in sub-clause (a) of clause (ii) of sub-regulation (1) of regulation 5 of the FC Regulations;
- (ii) factoring and forfaiting of receivables, as specified in sub-clause (b) of clause (ii) of sub-regulation (1) of regulation 5 of the FC Regulations;
- (iii) all or any of the activities mentioned in sub-clause (i) and (ii) above, if carried out by a Finance Company/Finance Unit as a Global/Regional Corporate Treasury Centre, and;
- (iv) all or any of the activities mentioned in sub-clause (i) and (ii) above, without a customer interface, as specified in sub-clause (m) of clause (iii) of sub regulation (1) of regulation 5 of the FC Regulations.

3. This circular is issued in exercise of the powers under section 12 of the International Financial Services Centres Authority Act, 2019.

4. A copy of this circular is available on the website of the Authority www.ifsc.gov.in/circular.

Yours faithfully,

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