



JSA Newsletter

International Financial Services Centres Authority

October 2025

The International Financial Services Centres Authority (“**IFSCA/Authority**”), India’s unified regulator for International Financial Services Centres (“**IFSCs**”), is focused on developing a world-class financial hub at the country’s first IFSC, Gujarat International Finance Tec-City (“**GIFT City**”). To enhance GIFT-IFSC’s global competitiveness in fund management, IFSCA has introduced several reforms aimed at attracting international capital and improving ease of doing business.¹ Key regulatory measures include the frameworks for angel schemes, accredited investors, and exemptions for Sovereign Wealth Funds, co-investment *via* SPVs, third-party fund management, and proposals for variable capital companies to enhance fund structuring.

Supported by the favourable policies, by June 30, 2025, there are 177 (one hundred seventy-seven) Fund Management Entities (“**FMEs**”) registered with IFSCA, and 272 (two hundred seventy-two) schemes in operation. These schemes raised cumulative commitments of about USD 22.11 billion (US Dollar twenty-two point eleven billion), showing the strong confidence, the cumulative funds raised increased to 10.5 billion (US Dollar ten point 5 billion) billion, reflecting 31.9% quarter on quarter growth.

Further to build the investors’ confidence, IFSCA has paired the favourable policies with strong oversight as FMEs, are subject to off-site and on-site supervision, regular reporting, and governance checks to ensure investor protection and regulatory compliance. In line with this, IFSCA has initiated appropriate regulatory action(s) against 9 (nine) FMEs as it was observed that office premises of these FMEs were either closed or unattended during operational hours and/or that the designated key management personnels were consistently found absent². This pattern of persistent non-compliance contravenes certain core requirements for the FMEs specified under IFSCA (Fund Management) Regulations, 2025 (“**Fund Management Regulations, 2025**”).

Compliance obligations are vital for units in IFSC, and to provide a one-stop reference for all applicable circulars and guidelines, IFSCA has issued [Master Circulars](#) for capital market intermediaries under the IFSCA (Capital Market Intermediaries) Regulations, 2025. These Master Circulars offer clarity on key operational aspects, including registration and its validity, permissible activities, governance standards, code of conduct, KYC, anti-money laundering and counter-terrorist financing measures, outsourcing, complaint handling, change in control, periodic reporting, cyber security and resilience, as well as surrender of registration. The master circulars are issued for the various categories of capital market intermediaries in IFSC under the IFSCA (Capital Market Intermediaries) Regulations, 2025 such as credit rating agencies, debenture trustees, distributors, Environmental, Social, And Governance (“**ESG**”) ratings and data products providers, investment advisers, investment bankers and research entities.

Further to facilitate the cross-border capital flows and connect India with global financial markets, IFSCA has [revamped Global Access Framework](#)³ (“**GAF**”) to position GIFT-IFSC as a key hub for cross-border capital flows. The

¹ Press release dated August 7, 2025

² Press release dated July 18, 2025

³ Press release dated August 12, 2025

investors, particularly Indian retail investors participating through the liberalised remittance scheme route, will be able to access global markets in a transparent manner. The physical presence of the brokers and global access providers in the IFSC and regulation by IFSCA will help in protecting resident Indian investors investing in Global Stock markets. Further, the framework is also expected to facilitate 'onshoring' the activities of broker dealers and proprietary trading entities who trade in global markets but operating from foreign jurisdictions. It also aims to consolidate cross-border trading within the IFSC jurisdiction, providing a competitive and globally aligned environment and strengthening the capital market ecosystem in the IFSC. The framework is designed to enhance market access for investors while ensuring robust investor protection, market integrity and ease of doing business.

This edition of July-August 2025 newsletter captures the key regulatory developments aim to reinforce GIFT IFSC's role as a dynamic and competitive international financial centre. Notably, these developments underscore IFSCA's commitment to enhancing GIFT IFSC's position as a global financial hub through regulatory reforms, sector-specific initiatives, and strategic engagements.

Guidance on submission of requests pertaining to changes requiring prior approval/intimation to IFSCA

With the aim of streamlining the process for submitting prior approval or intimation requests by Finance Companies/Finance Units ("**FCs/FUs**"), IFSCA has issued a guidance note on July 1, 2025. It specifies the required steps and documentation for changes such as management, name, broad banding of activities, or voluntary surrender of registration by the Regulated Entities ("**REs**"). REs must follow these guidelines and submit requests to the appropriate IFSCA division to ensure consistency and efficiency. All FCs/FUs are advised to strictly adhere to same while submitting any requests to IFSCA.

IFSCA (TechFin and Ancillary Services) Regulations, 2025⁴

These regulations are aimed to establish a regulatory framework for Techfins and Ancillary Service Providers ("**TASP**") to undertake activities classified as 'financial service' under the IFSCA Act, 2019 (50 of 2019) in India's GIFT City. Some of the key features are as follows:

1. TASP must obtain a certificate of registration from the authority before commencing operations in the IFSC, with existing entities under earlier circulars required to transition within 12 months (extendable up to 24 months) while continuing under their current frameworks until registration;
2. entities must be incorporated as a company, limited liability partnership in the IFSC, or a branch of a foreign entity, or another form permitted by the Authority and should be in a jurisdiction not classified as 'high-risk' by the Financial Action Task Force ("**FATF**");
3. the registration process requires submission of an application to the authority through Single Window IT System (SWIT), along with the requisite documents and application fees, in the manner specified by the Authority, registrations remain valid unless suspended, cancelled, or voluntarily surrendered with authority's acceptance;
4. TASP must ensure that the entity and its officers, directors, partners, shareholders, principal officer, and compliance officer, and controlling shareholders are 'fit and proper' persons, at all times, satisfying criteria of financial integrity, honesty, and soundness, and avoiding disqualifications such as insolvency, economic offences, regulatory prohibitions, wilful default, or status as a fugitive economic offender ;
5. TASP must appoint a compliance officer or designate 1 (one) of its existing officers as a compliance officer, responsible for the compliance of policies, procedures, maintenance of records, implementation of the requirements under these regulations, other applicable laws and reporting to the board of directors or head of the

⁴ Notification dated July 8, 2025 (Published in Gazette dated July 10, 2025)

organisation, with the principal officer and the compliance officer required to be full-time and based in the IFSC; and

6. existing circulars on financial service dated February 10, 2021 (“Framework for enabling Ancillary services at International Financial Services Centres”) and fintech entities dated April 27, 2022 (“Framework for FinTech Entity in the International Financial Services Centres (IFSCs)”) stand repealed after 24 months, with transitional provisions safeguarding the rights, obligations, and liabilities arising under them until the entity obtains registration or the migration timeline expires.

Subsequently on July 31, 2025, IFSCA *vide* circular dated July 31, 2025, has issued the guidelines detailing the transition to the new IFSCA (TechFin and Ancillary Services) Regulations, 2025 (“**TAS Regulations**”). Some of the key provisions are:

1. new applicants seeking a certificate of registration (“**CoR**”) as TASP must submit their applications to the Authority using the format in Annexure-I via the designated email address, with fees as per Annexure-II and the IFSCA fees circular dated April 8, 2025 remaining applicable;
2. all pending applications under earlier ancillary services or fintech frameworks will be processed under the TAS Regulations, without additional fees;
3. entities with in-principle approvals must obtain a CoR within 12 (twelve) months from July 8, 2025, unless extended by the authority; and
4. an entity authorised under the existing frameworks may continue operations under the existing frameworks till the grant of CoR under the TAS Regulations, or 12 (twelve) months from July 8, 2025, unless extended by the authority.

IFSCA (Procedure for making regulations and subsidiary instructions) Regulations, 2025⁵

IFSCA has issued the IFSCA (Procedure for making regulations and subsidiary instructions) Regulations, 2025, to govern how IFSCA creates regulations and other instructions. Repealing the IFSCA (Procedure for making Regulations) Regulations, 2021, the regulations aim to enhance the process of creating and implementing regulations and subsidiary instructions within the IFSCA framework. It includes provisions relating to procedure of public consultation for proposed regulations, procedure of public consultation for proposed subsidiary instruction, additional consultation mechanism(s) and constitution of committee(s) and amendment and review of regulations and subsidiary instructions. Some of the key provisions are as follows:

1. terms like public comments, regulations, subsidiary instructions etc., are defined (including circulars, guidelines, and frameworks).
2. public consultation is mandatory for major regulations and certain subsidiary instructions. This involves publishing a consultation paper on the IFSCA website outlining the issue, regulatory objectives and the relevant global standards. The draft proposal will get a minimum of 21 (twenty-one) days comment period, that may be shortened by the chairperson if necessary, subject to certain conditions;
3. the draft regulation and a summary of public feedback are submitted for approval after consultation. Any significant changes from the draft must be justified in writing and a summary of final changes must be published before notification;
4. regulations will be reviewed every 5 (five) years to evaluate their relevance, effectiveness, and alignment with global practices. The framework also allows for expert committees and independent reviews; and

⁵ Notification dated July 23, 2025

5. exceptions to the public consultation process include internal matters, minor procedural updates, inter-regulatory coordination, issues of market integrity, national security, and international obligations.

Guidelines on determining Key Managerial Personnel eligibility⁶

IFSCA has issued guidelines under Regulation 7 of the IFSCA (Fund Management) Regulations, 2025, clarifying the eligibility requirements for Key Managerial Personnel (“**KMPs**”), including principal officers and compliance officers within FMEs. These guidelines address industry concerns and aim to ensure consistency in hiring. KMPs must be based in the IFSC and typically hold a professional or postgraduate qualification in finance, law, commerce, or related fields, along with at least 5 (five) years of relevant experience in securities markets or financial products. Principal officers with 15 (fifteen) years of fund management experience may qualify with just a graduate degree in any discipline. The guidelines also define how relevant experience should be calculated, recognising work with REs like portfolio managers, fund managers, and investment advisors, while limiting consultancy experience to a maximum of 2 (two) years.

Framework for transition bonds⁷

IFSCA has recognised the ‘transition bonds’ as ESG-labelled debt securities (Green Bonds, Social Bonds, Sustainability Bonds, Sustainability-linked Bonds) and has issued a framework for transition bonds (“**Framework**”). Some of the key provisions of the Framework are:

1. debt securities labelled as transition bond (“**Transition Bond**”) are eligible to be issued and listed on a recognised stock exchange in the IFSC, only if the funds raised are proposed to be utilised for financing or refinancing projects, assets, and/or activities classified as ‘transition’ under the specified taxonomies/technology roadmaps such as the ASEAN, EU, and Climate Bonds taxonomies, and others permitted by IFSCA;
2. issuers must prepare a credible entity level transition plan with Paris Agreement aligned decarbonisation pathways, quantified, time-bound greenhouse gas (“**GHG**”) reduction targets covering at least Scope 1 and 2 emissions, robust governance, value chain engagement, and public transparency on strategy, targets, and progress;
3. issuers are required to appoint independent external reviewer(s) to confirm that the proposed issuance of transition bond is in alignment with the Framework and all reviewer details must be disclosed and be accessible to investors; and
4. Transition Bond offer documents must disclose the issuer’s transition plan, GHG targets, governance, sustainability strategy, environmental materiality, scenario analysis methodologies, phase-out plans for incompatible activities, and assessment of locked-in GHG emissions; and
5. issuers must provide continuous annual disclosures to exchanges, including progress on transition strategies, annual GHG reductions, Scope 3 emissions reporting timelines, carbon capture use, as well as any deviations and corrective action plans.

Insertion of third-party fund management services⁸

IFSCA has issued the IFSCA (Fund Management) (Amendment) Regulations, 2025, amending the Fund Management Regulations, 2025. After Regulation 107 of the Fund Management Regulations 2025 under Chapter VI (*other fund management activities*), Part D dealing with third-party fund management services is inserted. A FME may launch a

⁶ Press release dated July 25, 2025

⁷ Circular dated July 29, 2025

⁸ Notification dated July 30, 2025

scheme on behalf of a third-party in accordance with the provisions of this Part. Some of the key provisions are as follows:

1. an FME intending to set up and manage schemes on behalf of a third-party must seek authorisation from IFSCA under this Part for undertaking third-party fund management services in accordance with the terms and conditions specified in this Part and must comply with other conditions as may be specified by IFSCA;
2. the FME seeking authorisation under this Part must be set up in the IFSC in the form of a company, LLP or any other form as may be permitted by IFSCA. Further, in case of a company, its memorandum of association, and in case of a LLP, its LLP agreement, must contain a provision enabling it to offer third-party fund management services;
3. for each scheme managed under the third-party fund management arrangement, the FME must appoint a dedicated person as the principal officer who will be responsible for the overall activities with respect to that scheme, including but not limited to fund management, risk management and compliance; and
4. a FME seeking authorisation to offer third-party fund management services must always maintain an additional net worth of USD 500,000 (United States Dollars five hundred thousand) or such other amount as may be specified by IFSCA.

Onboarding of certain categories of Regulated Entities to the Central Registry for registration and satisfaction of assignment of receivables transactions⁹

The Central Registry has recently added following categories of the Regulated Entities (“REs”) as ‘IFSC Entity’ in the entity category dropdown in the entity registration form:

1. IFSC Banking Unit (“IBU”);
2. IFSC Banking Company;
3. IFSC FCs;
4. IFSC Finance Unit; and
5. IFSC TReDS.

The REs mentioned above are directed to onboard themselves with the Central Registry to comply with the Section 19 and Regulation 6 of the Factoring Regulation Act, 2011 and IFSCA (Registration of Factors and Registration of Assignment of Receivables) Regulations, 2024 respectively.

Revamped regulatory framework for global access in the IFSC¹⁰

The GAF outlines detailed guidelines for Global Access Providers (“GAPs”) and broker dealers and clients accessing global markets directly or indirectly through a GAP, aiming to boost global market access while maintaining market integrity and ease of doing business. The key provisions of GAF are as follows:

1. terms such as broker dealer, foreign jurisdiction, GAP etc., are defined along with the process of obtaining authorisation;
2. a broker dealer or a subsidiary of a recognised stock exchange desirous of undertaking activities as a GAP can only commence operations in the IFSC after obtaining authorisation from the Authority;
3. forms are specified for the purpose of obtaining the authorisation from IFSCA. The Authority may, after considering the application grant authorisation to the applicant subject to certain conditions;

⁹ Circular dated August 7, 2025

¹⁰ Circular dated August 12, 2025

4. the entities must maintain the following minimum net worth at all times:

Category	Amount (in USD)
GAP	500,000
GAP accessing Global Markets only on proprietary basis	200,000
Other Broker Dealers (which is not a GAP) and accessing Global Markets on proprietary basis through a GAP	100,000

5. GAP must ensure that the entity and its directors, KMP and controlling shareholders are 'fit and proper' persons in accordance with the specified criteria;
6. the GAF also outlines the categories of clients and products that are permitted to deal in global access; and
7. general obligations, responsibilities of the GAP are also laid out.

Clarification on opening of an account of a person resident in India¹¹

To facilitate the business environment, IFSCA has clarified with immediate effect that the term 'foreign currency account with a bank outside India' under sub-paras (B) to (F) of para 5 of the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015 includes an account opened with an International Banking Unit ("IBU") in any of the specified foreign currencies. Accordingly, IBUs may open such foreign currency accounts for persons resident in India without prior permission of IFSCA.

¹¹ Circular dated August 13, 2025

IFSCA Practice

JSA's IFSC Practice is designed to support clients in navigating the legal, regulatory and operational landscape of India's IFSCs, such as GIFT City. As part of this practice, we assist clients in incorporating and setting up entities in the IFSCs, including fund management companies, banking units, and capital market and insurance intermediaries, educational institutions and guide them through the licensing and registration processes under IFSCA regulations. Our team provides comprehensive regulatory advisory services, ensuring compliance with key frameworks such as the IFSCA (Fund Management), (Capital Market Intermediaries), (Banking) Regulations and Foreign Exchange Management (IFSC) Regulations. We specialise in structuring and launching investment vehicles such as Alternative Investment Funds, Family Investment Funds, and Exchange Traded Funds, while also advising on cross-border transactions, capital market listings, and structured finance.

Our practice integrates seamlessly with Indian finance and corporate laws, offering specialised advisory in areas such as M&A, joint ventures, and foreign investment compliance. We also represent clients, ranging from investment funds, investment advisory companies, financial institutions and fintech companies to high-net-worth individuals, in navigating complex legal requirements related to fund setup, cross-border transactions, foreign currency account management, regulatory proceedings, arbitration, enforcement matters, and provide strategic counsel to fund management companies and fintech entities leveraging IFSC's innovation-friendly environment. With a multidisciplinary team and strong regulatory relationships, we deliver tailored, forward-looking solutions that help clients unlock the full potential of operating within India's global financial gateway.

This Newsletter has been prepared by:



Nand Gopal Anand
Partner



Rajul Bohra
Partner



Saurabh Sharma
Partner



Harshit Dusad
Principal Associate



Aanand Kishore
Associate



Tanishq Sharma
Associate



18 Practices and
41 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



14 Practices and
12 Ranked Lawyers



12 Practices and 50 Ranked
Lawyers



20 Practices and
22 Ranked Lawyers



8 Practices and
10 Ranked Lawyers
Highly Recommended in 5 Cities



Recognised in World's 100 best
competition practices of 2025



Among Best Overall
Law Firms in India and
14 Ranked Practices



Asia M&A Ranking 2024 – Tier 1

Employer of Choice 2024

Energy and Resources Law Firm of the
Year 2024

Litigation Law Firm
of the Year 2024

Innovative Technologies Law Firm of
the Year 2023

Banking & Financial Services
Law Firm of the Year 2022



Ranked Among Top 5 Law Firms in
India for ESG Practice



Ranked #1
Best Law Firms to Work

Top 10 Best Law Firms for
Women

For more details, please contact km@jsalaw.com

www.jsalaw.com



Ahmedabad | Bengaluru | Chennai | Gurugram | Hyderabad | Mumbai | New Delhi



This Newsletter is not an advertisement or any form of solicitation and should not be construed as such. This Newsletter has been prepared for general information purposes only. Nothing in this Newsletter constitutes professional advice or a legal opinion. You should obtain appropriate professional advice before making any business, legal or other decisions. JSA and the authors of this Newsletter disclaim all and any liability to any person who takes any decision based on this publication.