



JSA Newsletter International Financial Services Centres Authority

December 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**”).

This edition of the September-October 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.

To enhance GIFT-IFSC’s global competitiveness, IFSCA and the Australian Securities & Investments Commission have entered into a [Memorandum of Understanding](#) (“**MoU**”) to strengthen inter-regulatory cooperation and work together in identified areas of mutual interest to support a robust and effective financial services ecosystem in both the jurisdictions. The objective of the MoU is to facilitate mutual assistance and the sharing of information between the regulators on trends and best practices in the regulation of financial markets, the use of technology and other areas of mutual interest in the respective jurisdictions.

A few of the key modifications introduced by IFSCA, are as follows:

1. the period of the Settlement Scheme for Association with Certain Algo Platforms, 2025 was [extended](#) till October 16, 2025 (*earlier it was June 16, 2025*);
2. the erstwhile Board for Regulation and Supervision of Payment and Settlement Systems has been replaced with the [Payments Regulatory Board](#) (“**PRB**”) as the body through which IFSCA will exercise the powers, perform the functions and discharge the duties conferred on it under the Payment and Settlement Systems Act, 2007; and
3. in the first meeting of the PRB held on October 1, 2025, the PRB approved the authorisation to CCIL IFSC Limited (“**CIL**”) to operate the Foreign Currency Settlement System (“**FCSS**”) in an IFSC.

Applications for TechFin and Ancillary Services enabled through Single Window IT System

IFSCA, *vide* public notice dated September 3, 2025, has enabled the submission of applications through IFSCA’s Single Window IT System (“**SWIT**”) for TechFin and Ancillary Services. Accordingly, the IFSCA has mandated all applicants seeking registration under the IFSCA (TechFin and Ancillary Services) Regulations, 2025 to submit new applications exclusively submitted through the SWIT platform.

Deadline for implementing revised norms for principal officer and compliance officer extended

To ensure continuity in operations and promote ease of doing business, IFSCA, *vide* circular dated September 4, 2025, has extended the deadline for implementation of certain norms for principal officer and compliance officer which are covered under sub-regulations of Regulation 9 (*Fit and proper requirements*) of the IFSCA (Capital Market Intermediaries) Regulations, 2025, for all capital market intermediaries registered with the Authority till December 31, 2025.

Subsequently, IFSCA, *vide* [circular](#) dated September 12, 2025, has extended the deadline for compliance with revised net worth requirements prescribed under the IFSCA (Capital Market Intermediaries) Regulations, 2025 till December 31, 2025.

Fee structure applicable for third-party fund management services

IFSCA, *vide* circular dated September 8, 2025, issued under the IFSCA (Fund Management) Regulations, 2025, has specified the following fee structure for the Fund Management Entities ("**FMEs**") which are desirous of offering third-party fund management services in an IFSC:

1. a registered FME (non-retail) and registered FME (retail) (collectively referred to as the "**Registered FME**") must pay USD 2,500 (US Dollars two thousand five hundred) as the application fee, to be paid along with their application, to IFSCA for obtaining the authorisation with respect to the third-party fund management services in an IFSC, and USD 7,500 (US Dollars seven thousand five hundred) as the authorisation fee, to be paid prior to the grant of such authorisation by IFSCA; and
2. a Registered FME authorised to provide third-party fund management services must pay the conditional recurring fee to IFSCA on an annual basis of USD 2,000 (United States Dollars two thousand) for each Third-Party Fund Managers ("**TPFM**") to whom it provides the third-party fund management services. Such fee will be applicable for each financial year after the year in which the Registered FME enters into a contract with such TPFM and will be payable in the first month of each financial year, i.e., in April.

Market access through authorised persons on bullion exchange

With a view to expand the depth and reach of the bullion market in an IFSC, IFSCA, *vide* circular dated September 11, 2025, has decided to extend the applicability of Circulars No. F No. 68/IFSCA/MRD-AP/2020-21 dated October 14, 2020 and IFSCA/CMD-DMIIT/AP/2022-23/1 dated April 29 2022 to the bullion exchange and bullion trading members. In light of this, bullion exchange and bullion trading members will be permitted to provide market access to investors through authorised persons based in India and foreign jurisdictions. This will benefit clients from simplified onboarding, KYC compliance, and seamless trading support and will further strengthen India's case to position GIFT City as a global bullion trading hub.

Amendments to regulatory framework for global access in the IFSC

To enhance the operational efficiency and competitiveness of Global Access Providers ("**GAP**") and Introducing Brokers within the IFSC, IFSCA, *vide* circular dated September 12, 2025, has amended the [circular](#) on 'Regulatory Framework for Global Access in the IFSC', dated August 12, 2025. The changes aim to streamline access, enhance compliance, and align IFSC practices with international standards. Pursuant to the amendment, the GAP and Introducing Brokers in the IFSC will now have the option to either open bank account(s) with an IFSC Banking Unit ("**IBU**") licensed by IFSCA or open account(s) with a payment service provider authorised under the IFSCA (Payment Services) Regulations, 2024, for the purposes of payments/movement of funds referred in clauses 27, 36 and 37 of the

circular on 'Regulatory Framework for Global Access in the IFSC' dated August 12, 2025, so far as it relates to global access business activities.

This amendment lowers the barriers for global investors while strengthening oversight, transparency, and investor protection, thereby reshaping global participation in IFSC and opening up new avenues for cross-border investment.

IFSCA (PRB) Regulations, 2025

IFSCA, *vide* notification dated September 16, 2025, has notified the IFSCA (Payments Regulatory Board) Regulations, 2024. The regulation provides for establishment of a dedicated Payments Regulatory Board (PRB) under IFSCA to regulate and supervise payment systems in IFSC. The PRB will be required to meet at least twice every year with a quorum of at least 3 members and will be supported by the Division of Payment and Settlement Systems, IFSCA. Furthermore, the regulations lay down a code of conduct for its members, requiring them to operate with integrity, disclose conflicts of interest, maintain confidentiality, and uphold the highest standards of probity.

Inter-operable regulatory sandbox: frequently asked questions

IFSCA, *vide* circular dated September 17, 2025, has issued frequently asked questions to provide a comprehensive overview of the inter-operable regulatory sandbox initiative and address common queries from potential participants.

Clarification on the listing of convertible debt securities on recognised stock exchanges in IFSC

IFSCA, *vide* circular dated September 18, 2025, has clarified that the procedure, manner and conditions specified for the listing of debt securities under the IFSCA (Listing) Regulations, 2024 will apply to convertible debt securities which are in the nature of foreign currency convertible bonds or similar instruments, until their conversion, for the purpose of listing on recognised stock exchanges in an IFSC. This clarification provides greater certainty for issuers and investors of non-convertible debentures, ensuring smoother compliance and market transparency.

Amendment to the IFSCA operating guidelines on bullion exchange, bullion clearing corporation, bullion depository and vault manager

IFSCA, *vide* circular dated September 22, 2025, has amended the eligibility criteria for membership of the bullion exchange based on the representations and discussions held with various stakeholders. Accordingly, trading members must have at least 1 (one) employee who possesses not less than 2 (two) years of experience in dealing in securities or foreign exchange or precious metals.

Pension funds in IFSC to invest in overseas assets

Section 25 of the Pension Fund Regulatory and Development Authority Act, 2013 prohibits pension funds from investing, directly or indirectly outside of India, any portion of subscriber funds. The Ministry of Finance, *vide* notification dated October 1, 2025, states that the restriction under Section 25 of the Pension Fund Regulatory and Development Authority Act, 2013 will not apply to financial products, financial services or financial institutions, in an IFSC. This will streamline the compliance requirements for financial institutions offering pension and retirement linked products.

Notification of bye-laws, rules and regulations governing operations of FCSS

IFSCA, *vide* circular dated October 3, 2025, has authorised CIL to operate a payment system for settlement of transactions in foreign currency to be called the FCSS in GIFT IFSC. Subsequently, IFSCA, *vide* circular dated October 7, 2025, has notified the bye-laws, rules and regulations prepared by CIL as the regulation, guideline, instruction, or direction governing the operations of the FCSS.

CIL has entered into an [agreement](#) with Standard Chartered Bank, IBU to act as the settlement bank for FCSS. Some of the key features of the FCSS are, as follows:

1. the FCSS will settle transactions undertaken in foreign currency and as a start will settle transactions undertaken in US Dollars;
2. the payment obligations and settlement instructions among the FCSS participants must be determined in accordance with the gross settlement procedure;
3. the FCSS system will be compatible with the ISO 20022 messaging standards; and
4. IBUs are eligible to be members of the FCSS, subject to satisfaction of the access criteria laid down in the bye-laws, rules and regulations, issued by IFSCA.

Import of gold or silver by qualified jewellers

The eligibility criteria for notification of an entity as a 'Qualified Jeweller' has been revised, which will broad base the set of entities that will be eligible to access the bullion exchange in the IFSCs for undertaking imports of gold and silver. Further, IFSCA has issued the updated circular on import of gold or silver by qualified jewellers and valid India-UAE CEPA Tariff Rate Quota Holders through IIBX, as Annexure 1. The updated circular so issued will make it convenient for the stakeholders to have access to various requirements including instructions or directions at one place.

Governing Board of the Market Infrastructure Institutions

Governance norms for the Market Infrastructure Institutions ("MIIs") is specified under the IFSCA (MIIs) Regulations, 2021 ("MII Regulations"). According to the MII Regulations the Authority must specify the requirements to be fulfilled for appointment of directors on the Governing Board of the MII and the mechanism for performance review of the Public Interest Directors ("PIDs"). The requirements specified by the Authority, *vide* circular dated October 13, 2025, are as follows:

1. for the composition of the Governing Board of the MII - the directors of the Governing Board of the MII must have the prescribed qualifications and experience, such as:
 - a) directors must have qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management or administration;
 - b) at least 1 (one) PID must have the requisite qualification and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice; and technology; and
 - c) MII may also appoint directors having qualifications and experience in other specialised areas;
2. for appointment of PIDs – the process requires the Nomination and Remuneration Committee to identify at least 2 (two) eligible candidates for each vacancy, and evaluate them based on their qualifications as well as experience, before recommending them to the Governing Board of the MII. The Governing Board conducts its own independent assessment and may request further information. The names along with brief profile of all the candidates shortlisted by the Governing Board must be submitted by the MII to the Authority for its approval. The Authority may select 1 (one) of the recommended candidates or, if unsatisfied, direct the MII to propose new candidates or

nominate a PID itself. Once selected, the candidate must provide the additional documents as specified in Annexure 1;

3. for reappointment of a PID – for reappointing an existing PID, the MII must make an application to the Authority at least 2 (two) months prior to the expiry of the term of such PID, along with an application including the information pertaining to the participation of the PID in the meetings of various internal committees, the Governing Board, and any other information as may be required by the Authority. The existing PID may continue to hold office for a maximum period of 3 (three) months from the date of expiry of their term or till a new PID is appointed; and
4. for knowledge upgradation of PIDs - MIIs, in coordination with reputed institutions, may organise training programs in the areas of capital markets, technology, regulatory responsibilities, or any other relevant areas for the PIDs.

The circular seeks to ensure that MIIs in IFSCs maintain high standards of governance, transparency, and accountability, with this IFSCA aims to promote independent oversight and safeguard the integrity of financial markets within the IFSC ecosystem.

IFSCA (Listing) (Amendment) Regulations, 2025

IFSCA, *vide* notification dated October 14, 2025, has amended the IFSCA (Listing) Regulations, 2024. Some of the key amendments are as follows:

1. financial information provided in the offer document must not be older than 180 (one hundred and eighty) days (*earlier this was 135 (one hundred and thirty five) days*);
2. the issuer and lead manager(s) must ensure that the specified securities are allotted, and the payments and refunds are completed within 8 (eight) working days (*earlier this was 5 (five) working days*) from the date of closing of the issue; and
3. the listed entity must disclose the financial statements for first half of the financial year (*earlier this was each of the first 3 (three) quarters of its financial year*) to the recognised stock exchange(s) immediately after the approval of its board of directors, but in any event not later than 45 (forty five) days after the end of first half year.

Framework on Stewardship Code in IFSCs

To enhance investor protection and promote robust corporate governance, IFSCA, *vide* circular dated October 23, 2025, has specified a Framework on Stewardship Code (“FSC”). Accordingly, all FMEs and institutional investors in an IFSC are encouraged to adopt a Stewardship Code and actively participate in building a more responsible and resilient investment ecosystem at the IFSC. The Stewardship Code, as adopted, must be explicitly communicated to IFSCA and disclosed to its customers through its website. The FSC comprises of 7 (seven) core principles:

1. stewardship policy formulation and disclosures;
2. monitoring investee companies;
3. intervention in investee companies and escalation;
4. policy on dealing with conflict of interest;
5. voting by the investors;
6. collaboration with other investors; and
7. disclosure and reporting of stewardship.

The FSC seeks to ensure that entities managing or investing funds on behalf of clients act responsibly and transparently in the interests of their investors and the market. It encourages a long-term, sustainable approach to investment decision-making and engagement with investee companies.

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.

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18 Practices and
41 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



14 Practices and
12 Ranked Lawyers



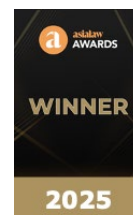
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49 Ranked Lawyers



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24 Ranked Lawyers



8 Practices and
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