



JSA Newsletter

International Financial Services Centres Authority

January 2026

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, IFSCA and the Financial Supervisory Commission (FSC) Taiwan have entered into a Memorandum of Understanding (“**MoU**”), on December 5, 2025, to formalise regulatory cooperation in identified areas of mutual interest. The objective of the MoU is to facilitate the sharing of information on recent trends and best practices in development, regulatory and business structures in the financial markets in the respective jurisdictions.

Subsequently, on December 16, 2025, IFSCA signed a MoU with the Indian Institute of Technology Gandhinagar (IITGN) to foster a two-way regulation-academia collaboration, with the focus on research, innovation, talent development, and emerging technologies enhancing the growth of GIFT IFSC.

Through a **circular** dated November 17, 2025, IFSCA has mandated that all Designated Directors and Principal Officers must complete the certification course “NISM-IFSCA-01: Certification Course on Anti-Money Laundering and Counter-Terrorist Financing in the IFSC”, within 4 (four) months of its launch (i.e., by March 18, 2026) or from their appointment date.

The **IFSCA authority meeting** held on December 22, 2025, approved some of the key proposals as follows:

1. amendments to IFSCA (Fund Management), Regulations, 2025 to address some of the operational challenges that fund management entities witness and enhance the ease of doing business in GIFT-IFSC while protecting the interests of the investors;
2. giving a nod to the draft IFSCA (Global In-House Centres) Regulations, 2025, which is aimed at providing a comprehensive and enabling regulatory framework for the establishment and operation of Global In-House Centres (“**GICs**”) units;
3. to delete sub-regulation (12) of IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (“**BATF**”)) Regulations, 2024, which mandates prior requirement of office space of minimum carpet area of 60 (sixty) square feet per employee for a BATF Service Provider to operate from GIFT-IFSC;
4. IFSCA (Capital Market Intermediaries) (Amendment) Regulations, 2025 dealing with the eligibility criteria for principal officer and compliance officer, clarifications with respect to liquid net worth, net worth requirement for custodians; and
5. amendment to the definition of ‘Lloyd’s Service Company’ under the IFSCA (Registration of Business) Regulations, 2021.

This edition of the November-December 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.

Companies (Meetings of Board and its Powers) Amendment Rules, 2025

The Ministry of Corporate Affairs, *vide* notification dated November 3, 2025, has amended the Companies (Meetings of Board and its Powers) Rules, 2014, by inserting the following 2 (two) categories in the definition of “business of financing industrial enterprises” under Rule 1(2):

1. for a Non-Banking Financial Company registered with the Reserve Bank of India, it includes the ordinary course of business of giving loans or providing guarantees/security for loan repayment; and
2. for a Finance Company registered with the IFSCA, the expression includes activities provided in specific sub-clauses of Regulation 5(1)(ii) of the IFSCA (Finance Company) Regulations, 2021, when done in the ordinary course of its business.

Additional directions on reporting of transactions for India’s external account statistics

IFSCA, *vide* circular dated November 11, 2025, has issued additional directions with reference to the fortnightly reporting of Banking Asset Liability (“BAL”) statement by IFSC Banking Units (“IBUs”) through Foreign Exchange Transactions Electronic Reporting System (FETERS). Prior to these additional directions, IBUs were reporting only the foreign currency balances in their nostro accounts maintained abroad and other investments in the BAL statement. However, given that IBUs also maintain foreign currency accounts of overseas banks, which were not being captured in the fortnightly reporting of BAL statement, IBUs are now required to report the balances in the foreign currency accounts of overseas banks, held/maintained with the IBU under vostro accounts in the BAL statement on the Balance of Payments (“BoP”) portal (<https://bop.rbi.org.in/>). Such reporting is required to be done by IBUs on fortnightly basis from the second fortnight of November 2025, according to the prescribed reporting format. To report under the vostro account in the BAL statement the IBUs are required to report:

1. either the net credit balance position under credit or the net debit balance position under debit, under the subcomponent of current account under the vostro account; and
2. the book value of the balances held by overseas banks/branches and correspondents in the respective currency.

Disclosure to clients under the Regulatory Framework for Global Access in the IFSC

Clause 39 of the circular dated [August 12, 2025](#), requires Global Access Providers (“GAPs”) and Introducing Brokers (“IBs”) to have systems in place to ensure that key risks and disclaimers relating to global access are displayed at every login by their clients, in a specified manner by IFSCA. In this regard, IFSCA, *vide* circular dated November 26, 2025, has specified key risks/disclaimers, to be displayed by GAPs or IBs at every login to their clients. GAPs or IBs, must ensure compliance with this circular latest by December 31, 2025. These disclaimers/ risks primarily deal with market & interest rate, currency, custody, liquidity & settlement, technology, time-zone risk and cyber attack, product, taxation, among others. Additionally, this amendment permits GAPs and IBs to maintain client fund accounts with IFSC Banking Units or authorised Payment Service Providers under the 2024 Payment Services Regulations, limited to payments and fund transfers, thereby enabling faster and more cost-efficient settlement while continuing to ensure investor protection and regulatory oversight.

Clarification on raising of invoice by IFSC insurance offices

IFSCA, *vide* circular dated November 27, 2025, has clarified that an IFSC Insurance Offices (“**IIO**”) transacting re-insurance business may raise invoice on Indian insurers/foreign insurers/re-insurers/cedants, in the currency of the underlying contract of reinsurance, including in Indian Rupees. However, the realisation of amount against such invoice, in the bank account of the IIO, maintained with any IBU will be in the specified foreign currencies. Further, specified foreign currency’ will mean the currencies specified in the First Schedule of the IFSCA (Banking) Regulations, 2020.

Frequently asked questions under IFSCA (Techfin and Ancillary Services) Regulations, 2025

Frequently asked questions (“**FAQs**”) relating to the IFSCA (Techfin and Ancillary Services) Regulations, 2025, were issued on December 12, 2025. The FAQs are intended to provide operational clarity and ease of implementation for entities seeking registration or migrating to the new regulatory framework governing Technology-enabled Financial Services (TechFin) and Ancillary Services in IFSCs.

Implementation of provisions of the Banking Laws (Amendment) Act, 2025

The Department of Financial Services, *vide* notification dated October 22, 2025, appointed November 1, 2025, as the date for coming into force of the provisions of Sections 10 (*regarding Nomination for payment of depositors' money*), 11 (*regarding nomination for return of articles kept in safe custody with banking company*), 12 (*regarding release contents of safety release of lockers*) and 13 (*regarding priority of successive nominations*) of the Banking Laws (Amendment) Act, 2025 (“**Act**”). Pursuant to the same, IFSCA, *vide* circular dated December 12, 2025, has directed all IBUs, to ensure compliance with the provisions of the Act. This will ensure a regulatory uniformity between the norms followed by domestic branches and IBUs of a bank.

Internet banking services to clients of IBUs

IFSCA, *vide* circular dated December 29, 2025, has laid down mandatory compliance requirements with respect to the various types of internet banking services to clients of IBUs, as mentioned in the [circular](#) dated April 22, 2024. IBUs, not offering liability products to its customers, are exempted from complying with these requirements. An IBU that has commenced operations (i.e., offering liability products to its customers) prior to the date of this circular are required to comply with these requirements by June 30, 2026. In case of failure to comply with these requirements, the defaulting IBU will not be able to onboard new customers for liability products from July 1, 2026. Further, IBUs are required to obtain explicit consent from their customers for registering/de-registering for internet banking services and such consent must be duly recorded/documented. Some of the compliance requirements are as follows:

1. information service: IBUs are required to prominently display the list of specified currencies in which transactions are being offered by them to their customers including the facility to convert among such currencies and clearly communicate the cut-off timing for executing transactions;
2. interactive information exchange service: IBUs are required to make available a unified digital banking dashboard to their customers providing, at minimum the ability to, *inter alia*:
 - a) view real-time balances across all linked accounts;
 - b) view live market rates for currency conversions including the applicable spread offered to its customers; and
 - c) view and download account statements in machine-readable formats with unique transaction reference, timestamps and beneficiary details; and

3. transactional services: provided through the internet banking platform of the IBU must, at minimum, *inter alia* have the following features:
 - a) dual-layer authentication;
 - b) ability to initiate the transfer of funds between accounts held with the same IBU; and
 - c) ability to make payments to third parties holding accounts with the same IBU.

IFSCA (GIC) Regulations, 2025

In the spirit of developing the IFSCA as hub of the GICs, the IFSCA, *vide* notification dated December 29, 2025, has issued the IFSCA (GIC) Regulations, 2025 ("**GIC Regulations**"). Pursuant to the notification, the IFSCA (GIC) Regulations, 2020, is repealed. The GIC Regulations aims to offer a conducive business and regulatory environment to attract India centric financial services and transaction. Some of the key aspects of the regulatory framework are:

1. outlining the eligibility criteria, legal form of the applicant, procedure for making application and grant of registration for the registration of a GIC unit and registration through the Single Window IT System, including approval validity and renewal mechanics;
2. details the functioning of a GIC unit by defining the permissible services provided by the GIC unit in relation to financial product(s) and financial service(s) and services provided to the entities of the Financial Institution Group which are 'non-resident' (located in the jurisdictions which have not been identified in the public statement of Financial Action Task Force (FATF) as high-risk jurisdiction subject to call for action);
3. The GIC Unit must ensure that the entity and its principal officer, compliance officer, directors/ partners/ designated partners, and controlling shareholders are 'fit and proper' persons, at all times and that the principal officer and compliance officer are full-time and physically based in IFSC. It also outlines the procedure for appointment or designation of principal officer and compliance officer; and
4. other miscellaneous provisions including requirements for existing GIC units and reporting requirements, reporting and operations in foreign currency, and IFSCA's powers of inspection, enforcement, granting relaxations, and issuing clarifications.

Clarification of the computation of liquid net worth under IFSCA (Capital Market Intermediaries) Regulations, 2025

Pursuant to the circular on 'IFSCA (Capital Market Intermediaries) Regulations, 2025 - Extension of deadline for compliance with revised net worth requirements', dated September 12, 2025, IFSCA *vide* circular dated December 30, 2025, has clarified that the base minimum capital and interest-free deposits, as well as margins maintained by registered broker dealers and registered clearing members with recognised stock exchanges and clearing corporations in relation to their trading activities in the IFSC or Global Access, is required to be considered as part of liquid net worth. Further, offering the broader ambit of computing 'net worth' of an entity, all liabilities are proposed to be excluded for the purpose of computation of 'liquid' net worth.

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



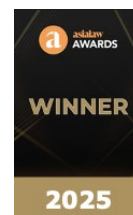
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