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advocates & solicitors

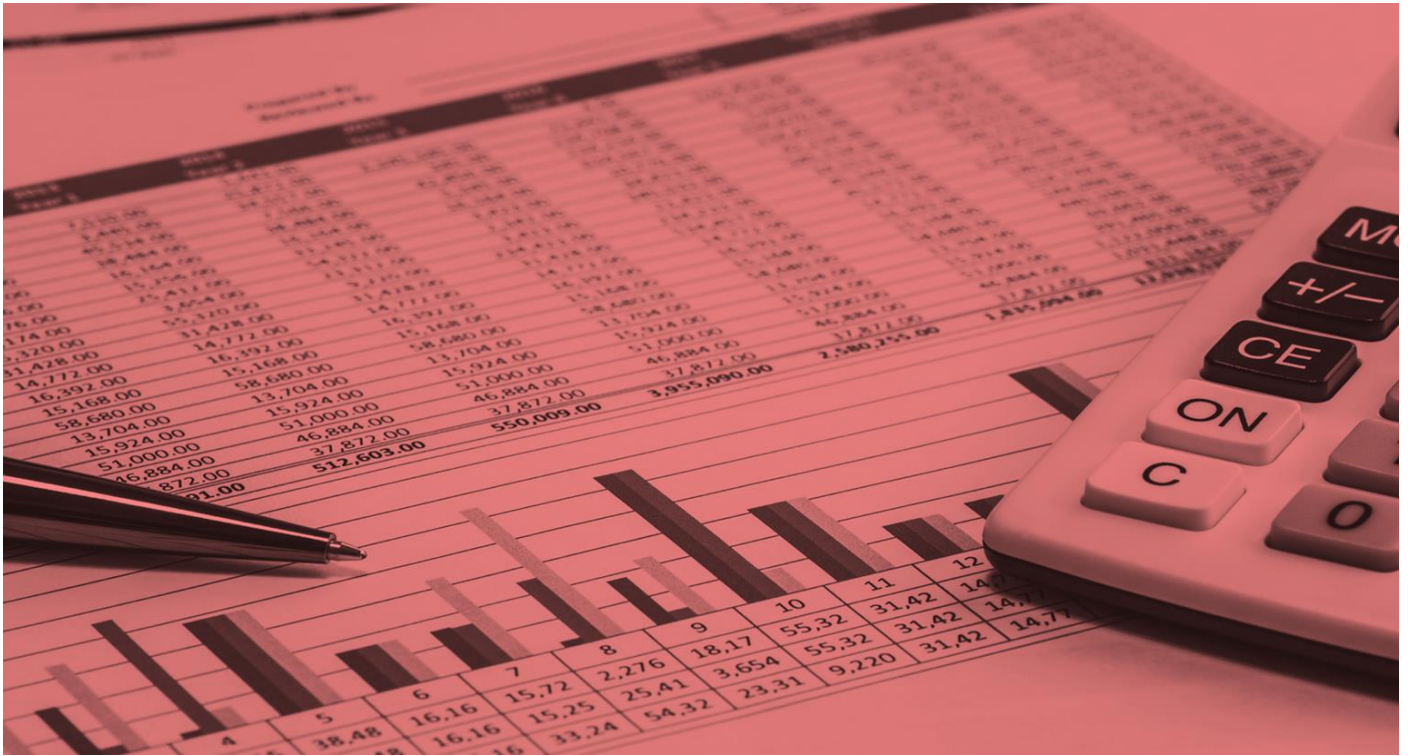


Knowledge Management

Semi-Annual International Financial Services Centres
Authority Compendium 2025

July – December 2025

Semi-Annual International Financial Services Centres Authority Compendium 2025



Introduction

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, *vide* press release dated August 7, 2025, introduced several reforms aimed at attracting international capital and improving ease of doing business. Key regulatory measures include the frameworks for angel schemes, accredited investors, and exemptions for Sovereign Wealth Funds, co-investment *via* Special Purpose Vehicle, 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 USD 10.5 billion (US Dollar ten point five billion), reflecting 31.9% quarter on quarter growth.

Further to build the investors’ confidence, IFSCA 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, *vide* press release dated July 18, 2025, 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 absent. 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 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, Know Your Customer (“**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 IFSCs 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, *vide* press release dated August 12, 2025, revamped Global Access Framework (“**GAF**”) to position GIFT-IFSC as a key hub for cross-border capital flows. The 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 (“**GAPs**”) 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.

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 is 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.

To enhance GIFT-IFSC’s global competitiveness, IFSCA and the Financial Supervisory Commission Taiwan have entered into an 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 an 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 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 Fund Management Regulations 2025 to address some of the operational challenges that FMEs 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 ("GICs")) Regulations, 2025, which is aimed at providing a comprehensive and enabling regulatory framework for the establishment and operation of GICs units;
3. to delete sub-regulation (12) of the 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 Compendium consolidates all key developments undertaken in the IFSCA which were circulated as a part of the JSA Prisms and Newsletters during the calendar period from July 2025 till December 2025.

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 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, 2025

IFSCA, *vide* notification dated July 8, 2025, issued regulations that are aimed to establish a regulatory framework for Technology-enabled Financial Services ("TechFins") and Ancillary Service Providers ("TASP") to undertake activities classified as 'financial service' under the IFSCA Act, 2019 in India's GIFT City. Some of the key features are as follows:

1. TASP must obtain a Certificate of Registration ("CoR") from the Authority before commencing operations in the IFSC, with existing entities under earlier circulars required to transition within 12 (twelve) months (extendable up to 24 (twenty-four) 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,

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. 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 eligibility

IFSCA, *vide* press release dated July 25, 2025, issued guidelines under Regulation 7 of the 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 bonds

IFSCA, *vide* circular dated July 29, 2025, recognised the ‘transition bonds’ as ESG-labelled debt securities (Green Bonds, Social Bonds, Sustainability Bonds, Sustainability-linked Bonds) and 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;
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

- 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 services

IFSCA, *vide* notification dated July 30, 2025, 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 scheme on behalf of a third-party in accordance with the provisions of this part. Some of the key provisions are as follows:

- 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;
- the FME seeking authorisation under this Part must be set up in the IFSC in the form of a company, Limited Liability Partnership (“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 an LLP, its LLP agreement, must contain a provision enabling it to offer third-party fund management services;
- 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
- 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 REs to the Central Registry for registration and satisfaction of assignment of receivables transactions

The Central Registry, *vide* circular dated August 7, 2025, added following categories of the REs as ‘IFSC Entity’ in the entity category dropdown in the entity registration form:

- IFSC Banking Unit (“IBU”);
- IFSC Banking Company;
- IFSC FC;
- IFSC FU; and
- IFSC Trade Receivables Discounting System (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 IFSC

On August 12, 2025, the GAF outlined detailed guidelines for 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:

- terms such as broker dealer, foreign jurisdiction and GAP, are defined along with the process of obtaining authorisation;
- 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;

considering the application, grant authorisation to the applicant subject to certain conditions;

3. forms are specified for the purpose of obtaining authorisation from IFSCA. The Authority may, after

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.

To enhance the operational efficiency and competitiveness of GAP and Introducing Brokers ("IBs") within the IFSC, IFSCA, *vide* circular dated September 12, 2025, 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 IBs in the IFSC will now have the option to either open bank account(s) with an 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.

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

To facilitate the business environment, IFSCA, *vide* circular dated August 13, 2025, clarified 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 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.

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, 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, 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 Fund Management Regulations 2025, specified the following fee structure for the FMEs which are desirous of offering third-party fund management services in an IFSC:

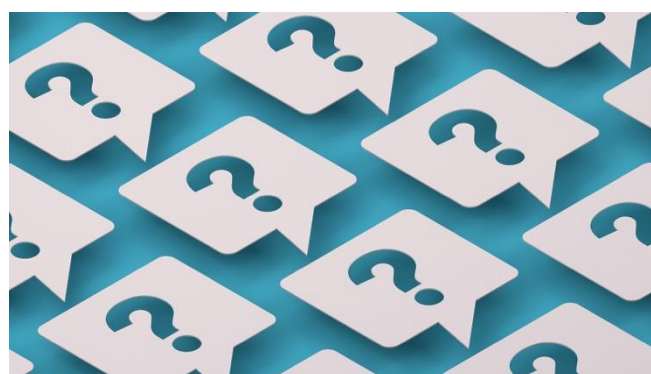
1. a registered FME (non-retail) and registered FME (retail) (collectively referred to as the “**Registered FME**”) must pay USD 2,500 (US Dollars two thousand five hundred) as the application fee, to be paid along with their application, to IFSCA for obtaining the authorisation with respect to the third-party 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, 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. 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.

IFSCA (PRB) Regulations, 2025

IFSCA, *vide* notification dated September 16, 2025, notified the IFSCA (PRB) Regulations, 2025. The regulations provide for establishment of a dedicated PRB under IFSCA to regulate and supervise payment systems in an IFSC. The PRB will be required to meet at least twice every year with a quorum of at least 3 (three) 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, issued Frequently Asked Questions (“**FAQs**”) 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, 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 operating guidelines on bullion exchange, bullion clearing corporation, bullion depository and vault manager

IFSCA, *vide* circular dated September 22, 2025, 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, 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, notified the bye-laws, rules and regulations prepared by CIL as the regulation, guideline, instruction, or direction governing the operations of the FCSS.

CIL 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' is 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 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") are 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: 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.
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, 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, 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.

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

The Ministry of Corporate Affairs, *vide* notification dated November 3, 2025, 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 an FC registered with the IFSCA, the expression includes activities provided in specific sub-clauses of Regulation 5(1)(ii) of the IFSCA (FC)

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, issued additional directions with reference to the fortnightly reporting of Banking Asset Liability (“BAL”) statement by 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 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 GAPs and 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, 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 IBUs 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, clarified that an IFSC Insurance Offices (“**IIOs**”) 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.

FAQs under TAS Regulations

FAQs relating to the TAS Regulations 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 TAS in IFSCs.

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

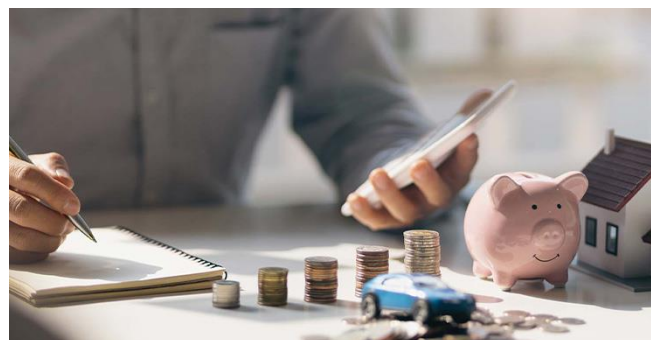
The Department of Financial Services, *vide* notification dated October 22, 2025, appointed November 1, 2025, as the date for coming into force of the provisions of Sections 10 (regarding Nomination for payment of depositors' money), 11 (regarding nomination for return of articles kept in safe custody 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, 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, 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 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/documentated. 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.
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.
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 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.



IFSCA (GIC) Regulations, 2025

In the spirit of developing the IFSCA as hub of the GICs, IFSCA, *vide* notification dated December 29, 2025, 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 SWIT, including approval validity and renewal mechanics;

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

IFSCA, *vide* circular dated December 30, 2025, 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.

The authors of this Compendium are:



Nand Gopal Anand
Partner



Rajul Bohra
Partner



Saurabh Sharma
Partner



19 Practices and
40 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



15 Practices and
20 Ranked Lawyers



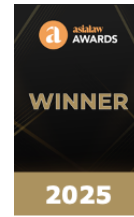
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49 Ranked Lawyers



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