

April 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 strengthen the industry collaboration and formalise the cooperation across various sectors and jurisdictions, as well as to enhance GIFT-IFSC’s global competitiveness, IFSCA has initiated the following understandings:

1. IFSCA and the Financial Conduct Authority of the United Kingdom have signed an Exchange of Letters<sup>1</sup> (“**EoL**”) to strengthen regulatory cooperation in areas of shared interest. The EoL aims to support the exchange of information on application of technologies, innovations, financial technology and regulatory technology in the financial markets in the respective jurisdictions;
2. IFSCA and the Finanstilsynet, the Financial Supervisory Authority of Norway, have entered into a Memorandum of Understanding (“**MoU**”), on February 13, 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.
3. IFSCA and the Indian Institute of Corporate Affairs signed a MoU on February 20, 2026. The MoU aims to provide a framework for collaboration in area of corporate law, sustainable finance, Environmental, Social and Governance, cross-border transactions and restructuring and research activities relevant to the needs of IFSC ecosystem;
4. on February 24, 2026, IFSCA and Malta Financial Services Authority have entered into an MoU to formalise regulatory cooperation in identified areas of mutual interest. The MoU aims to strengthen cooperation between the jurisdictions by enabling the exchange of information on market trends, regulatory practices, business structures in financial markets and encourage developments in the financial sector.

On the policy front, the Indian Budget 2026-27 offers 2 (two) key proposals to strengthen the competitiveness of IFSC units to attract global business and investment:

1. extension in the period of deduction for units in IFSCs and rationalisation of tax rate - the tax deduction period for IFSC units and offshore banking units will be extended to 20 (twenty) consecutive years out of a 25 (twenty-five) year period for units in IFSCs and 20 (twenty) consecutive years for offshore banking units. Business income of IFSC units will be taxed at a concessional 15% rate after the expiry of period of deduction; and
2. rationalisation of certain terms for treasury centres in IFSCs – rules on deemed dividends for IFSC treasury centres will be relaxed and not apply when the parent entity or the principal of the group is listed in a country or territory outside India and located outside India, as specified by the Central Government.

<sup>1</sup> Press Release dated February 11, 2026

Subsequently, to make IFSC a global financial services hub, IFSCA on February 9, 2026, approved the draft Pension Fund Regulations, 2026. These regulations aim to create a strong and reliable system for long-term retirement savings, ensuring transparency and security for investors.

Further, IFSCA hosted the Payments Forum 2026 on February 13, 2026, to discuss strengthening the payments and settlement ecosystem at GIFT City's IFSC. The forum aimed to update regulated entities across sectors on the evolving payment infrastructure at the IFSC and share recent regulatory and market developments aimed at enhancing efficiency in cross-border transactions. 2 (two) key initiatives highlighted by IFSCA are:

1. Payment Services Regulations, 2024 – allowing authorised payment service providers to offer a range of payment services and infrastructure; and
2. Foreign Currency Settlement System enabling IFSC Banking Units (“IBU”) to settle USD transactions in about 5 (five) to 6 (six) seconds.

This edition of the January – February 2026 newsletter captures the key regulatory developments aim to reinforce GIFT City IFSC's role as a dynamic and competitive international financial centre.

## **Enabling eligible Special Economic Zone units and advance authorisation holders to import gold or silver through India International Bullion Exchange IFSC Limited<sup>2</sup>**

Amendments are made to the circular dated October 10, 2025, on ‘Import of Gold or Silver by Qualified Jewellers and valid India- United Arab Emirates-Comprehensive Economic Partnership Agreement Tariff Rate Quota holders through India International Bullion Exchange IFSC Limited (“IIBX”)’. The amendments aim to relax the eligibility criteria for import of gold or silver through IIBX by Special Economic Zone (“SEZ”) units, holding valid letter of approval and having export of jewellery as 1 (one) of their authorised operations and advance authorisation holders. Further, it is clarified that an entity will not be required to be notified by IFSCA as a qualified jeweller for undertaking imports of silver bars through IIBX. Some of the key amendments are as follows:

1. an entity having a valid importer exporter code certificate issued by Directorate General of Foreign Trade (“DGFT”), will be eligible to import silver bars through the IIBX, without the requirement of being notified as a qualified jeweller;
2. proviso is added to the process of submission of a certificate by an entity, stating that in case an entity is a SEZ unit holding a valid ‘letter of approval’ and having export of jewellery as 1 (one) of its authorised operations, it must submit a certificate, duly attested by a practicing chartered accountant/cost accountant/company secretary, stating that 35% of annual turnover in each of the last 3 (three) financial years and the current financial year until the date of making the application is through dealing in goods such as precious metal jewelry, goldsmiths'/silversmiths' wares, and coins;
3. the notification of an entity as a qualified jeweller to remain valid unless the same is denotified either on an application made by such entity or its participation remains suspended for a continuous period of 6 (six) months; and
4. Chapter II-A is inserted pertaining to import of gold or silver by entities holding ‘advance authorisation’. It introduces a new framework permitting entities holding advance authorisation issued by DGFT, and notified by IFSC as Qualified Jewelers, to import gold and silver through the IIBX.

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<sup>2</sup> Circular dated January 2, 2026

## **Modifications and clarifications under the IFSCA (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022**

IFSCA, *vide* circular dated January 2, 2026, has modified the IFSCA (Anti Money Laundering (“**AML**”), Counter-Terrorist Financing (“**CFT**”) and Know Your Customer (“**KYC**”)) Guidelines, 2022 (“**Guidelines**”), to strengthen risk controls while simplifying compliance. Some of the key amendments are as follows:

1. the Authority is empowered to exempt any activity or a regulated entity from the applicability of the Guidelines;
2. the Guidelines clarify that KYC Registration Agency are those entities which have been granted certificate of registration under the IFSCA (KYC Registration Agency) Regulations, 2025;
3. the Guidelines have formally recognised electronic documents (e-documents) to be equivalent to physical documents;
4. the Guidelines prescribes timeline for periodic KYC updations for resident Indian customers, which are as under:
  - a) every 2 (two) years for high-risk;
  - b) 8 (eight) years for medium-risk; and
  - c) 10 (ten) years for low-risk customers;
5. the Guidelines clarify that non-resident Indians in the United States of America, Japan, South Korea, United Kingdom (excluding British Overseas Territories), Canada, United Arab Emirates, Singapore, Australia and the European Union (excluding Croatia) may be onboarded through video KYC. For such process, IP address of the relevant non-resident Indian is required to be of India or of any of the aforementioned countries;
6. all financial institutions to transact or receive monetary consideration only through an account maintained with a banking unit in the IFSC; and
7. Global In-House Centres, International Branch Campuses, Financial Crime Compliance Service Providers, and certain intra-group financial institutions are exempted from the purview of the Guidelines. However, if such entities undertake their transactions through third-party business/service providers in the course of their operations, then they are required to conduct business risk assessments and comply with AML/CFT provisions provided under the Guidelines.

In furtherance of the above, IFSCA *vide* circular dated January 5, 2026, has issued a set of Frequently Asked Questions (“**FAQs**”) for a better understanding of the compliance expectations, and applicability of the Guidelines.

Subsequently, IFSCA, *vide* circular dated February 26, 2026, has further modified the Guidelines, by adding a new provision allowing OTP-based Aadhaar e-KYC authentication as a valid method for verifying customer identity. Financial institutions in IFSCs are permitted to use a one-time password sent to a person’s Aadhaar-linked mobile number to complete KYC digitally.

## **IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) (Amendment) Regulations, 2026**

IFSCA, *vide* gazette notification dated January 8, 2026, has amended the IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) (“**BATF**”) Regulations, 2024 (“**BATF 2024**”). Some of the key amendments are:

1. Regulation 12 (pertaining to minimum office space criteria, whereby a BATF service provider must ensure office space in IFSC of minimum carpet area computed at 60 (sixty) square feet per employee) of the BATF 2024 is omitted; and
2. conditions for entities under ancillary services framework (Schedule II) is altered in line with the omission of Regulation 12 of the BATF 2024.

## **IFSCA (Performance Review Committee) (Amendment) Regulations, 2026**

IFSCA, *vide* notification dated January 8, 2026, has amended the IFSCA (Performance Review Committee) Regulations, 2022. Accordingly, mandatory minimum threshold of 2 (two) independent expertise must be present during the review functions as envisaged under Section 17 of the IFSCA Act, 2019.

## **IFSCA (Registration of Insurance Business) (Amendment) Regulations, 2026**

IFSCA, *vide* notification dated January 8, 2026, has amended the IFSCA (Registration of Insurance Business) Regulations, 2021, to include the definition of 'Service Companies of Lloyd's IFSC' to mean, service companies registered in India and promoted by, managing agents of Lloyd's, such group entities of managing agents or members of Lloyd's, as may be permitted by Lloyd's or Indian Companies which meet the specified criteria.

## **IFSCA (Capital Market Intermediaries) Regulations, 2025**

### **IFSCA (Capital Market Intermediaries) (Amendment) Regulations, 2026**

IFSCA, *vide* notification dated January 13, 2026, has amended the IFSCA (Capital Market Intermediaries) Regulations, 2025. The objective of the amendment is to ease procedural requirements for entities applying for various capital market activities and enable unified registration for such activities. Some of the key provisions are as follows:

1. proviso inserted under the obligation to seek registration and exemptions under registration of capital market intermediaries. Accordingly, a unit in an IFSC may obtain a unified registration for undertaking multiple activities;
2. the work experience in the financial services market is reduced by 5 (five) years for the principal officer or the compliance officer (previously it was 10 (ten) years); and
3. through this notification, the circular on 'Recognition as Custodian of assets/securities' dated February 24, 2021, stands superseded.

### **Format of net worth certificate and checklist for conducting audit of global access providers**

Pursuant to the IFSCA (Capital Market Intermediaries) Regulations, 2025 and the circular dated August 12, 2025 on Regulatory Framework for Global Access in the IFSC, IFSCA, *vide* circular dated February 12, 2026, has prescribed the format of the net worth certificate to be submitted by Global Access Providers ("GAPs") and other broker dealers accessing global markets on proprietary basis through GAPs. Further, the annual audit must be conducted, through a peer reviewed member of the Institute of Chartered Accountants of India or the Institute of Company Secretaries of India or the Institute of Cost Accountants of India, by relying upon the indicative checklist of documents prescribed.

### **Unified registration for multiple capital market activities under the IFSCA (Capital Market Intermediaries) Regulations, 2025**

Pursuant to the IFSCA (Capital Market Intermediaries) (Amendment) Regulations, 2026, IFSCA, *vide* circular dated February 13, 2026, has introduced a new 'Master Key' framework to simplify the registration process for entities looking to undertake multiple capital market activities. An entity desirous of seeking registration for undertaking multiple capital market activities will apply through a single application form using the Single Window IT System ("SWIT") portal. The entity would be provided with a common certificate of registration with the list of approved registrations. This reform is intended to reduce procedural complexity, streamline approvals, and make it easier and faster for entities to operate in capital markets within the IFSC.

## IFSCA (Fund Management) Regulations, 2022

### Procedure and clarification on filing of scheme application under third-party fund management arrangement

To streamline the process of filing of applications by registered Fund Management Entities (“**FMEs**”) authorised to launch schemes on behalf of third parties, the Authority, *vide* circular dated January 16, 2026, has provided clarifications regarding the process of filing of applications. Registered FMEs are required to file their schemes/documents in the prescribed format, as specified in the IFSCA circular dated April 5, 2024, on ease of doing business under the IFSCA (Fund Management) Regulations, 2022. In addition, they must provide comprehensive details of the third-party fund manager, including their legal identity, regulatory registration and ultimate beneficial ownership. All such scheme applications must be filed electronically through the SWIT portal.

## IFSCA (Fund Management) (Amendment) Regulations, 2026

IFSCA, *vide* notification dated January 27<sup>3</sup>, 2026, has amended the IFSCA (Fund Management) Regulations, 2025. Some of the key amendments are as follows:

1. relaxation in the eligibility norms for Key Managerial Personnel (“**KMP**”) and fund managers. Professionals with relevant certifications and shorter experience may qualify as KMPs (earlier the requirements were stricter);
2. where a fund management entity fails to comply with the minimum corpus requirement of USD 3 million (United States Dollars three million) within the prescribed timeline, it may extend the validity of the placement memorandum for a period of 6 (six) months commencing from the day immediately following the expiry of the existing validity period. Such extension must be subject to the filing of an application accompanied by a fee equal to: (a) 25% of the applicable fee for filing a fresh scheme, for the first extension; and (b) 50% of the applicable fee for filing a fresh scheme, for each subsequent extension; and
3. an additional proviso has been inserted after the proviso to Regulation 35(2), which specifies that investments by an open-ended scheme in unlisted securities will be undertaken only upon achieving the minimum corpus of USD 3,000,000 (US Dollar three million).

### One-time window to extend the validity of the Placement Memorandum

IFSCA, *vide* circular dated January 27, 2026, has provided a one-time window of 3 (three) months (starting from January 27, 2026) for the venture capital schemes and restricted schemes where the Placement Memorandums (“**PPMs**”) have expired or are expiring shortly, to further extend the validity of the PPMs in accordance with the specified procedure. Open-ended restricted schemes (that have started investment activities raising USD 1,000,000 (US Dollar one million) but are unable to achieve the minimum corpus of USD 3,000,000 (US Dollar three million) within the validity or extended validity of the PPM), can also apply for an extension within 3 (three) months from January 27, 2026. Additional extensions of more than 6 (six) months may be allowed subject to certain conditions.

### Requirement for a finance company/finance unit to have a website/webpage

IFSCA, *vide* circular dated February 3, 2026, has directed that all Finance Companies (“**FC**”) / Finance Units (“**FU**”) providing services to clients other than their group entities, to maintain a dedicated website/web-page. Such website/webpage is required to *inter-alia*, display the following information about the FC/FU:

a brief overview of the GIFT IFSC ecosystem;

1. certificate of registration along with registration number and permitted activities;

<sup>3</sup> Notified on eGazette on January 28, 2026

2. comprehensive list of products and services offered with detailed descriptions;
3. grievance redressal procedure including contact details of the designated grievance officer; and
4. details of key managerial personnel, including the head of the FC/FU, chief executive officer, chief financial officer, compliance officer, and principal officer.

IBUs are directed to adhere with the above requirements from April 1, 2026.

## **Directions for obtaining International Securities Identification Numbers from a recognised depository in IFSC**

IFSCA, vide circular dated February 6, 2026, has issued directions for obtaining International Securities Identification Numbers (“**ISINs**”) from a recognised depository in IFSC instead of obtaining ISINs from domestic depositories in India. Accordingly, the IFSCA has directed as under:

1. all units in the IFSC intending to dematerialise securities or financial products must obtain ISIN from a depository recognised by the IFSCA;
2. units in IFSC that are already using ISINs from an Indian domestic depository are required to switch to new ISINs issued by IFSC recognised depositories by August 31, 2026;
3. issuers may avail the services of International Central Securities Depositories for issuing and listing debt securities and other financial products, as permitted under the IFSCA (Listing) Regulations, 2024;
4. IFSC recognised depositories are required to set up a standardised process in coordination with domestic depositories and provide guidance through FAQs and notices to help entities migrate smoothly; and
5. IFSCA has also directed recognised depositories to submit a compliance report by September 30, 2026, confirming that the transition process has been completed.

## **Registration for online permanent account number verification services to IFSC registered entities**

IFSCA, vide press release dated February 9, 2026, requires IFSC units onboarding clients to verify customers’ Permanent Account Number (“**PAN**”) details as part of the onboarding process. This can be done through online PAN verification *via* the Protean eGov Technologies Limited portal. The IFSC units are required to access the issuer database to verify the PAN details of their clients.

## **FAQs on IFSCA (Global In-House Centres) Regulations, 2025**

IFSCA, vide circular dated February 13, 2026, has issued the updated FAQs on IFSCA (Global In-House Centres) Regulations, 2025. The FAQs are intended to provide operational clarity and ease of implementation regarding application, legal form and registration of Global In-House Centres.

## **Directions on Society for Worldwide Interbank Financial Telecommunication related operational requirements**

IFSCA, vide circular dated February 26, 2026, has taken steps to ensure that IBUs follow a uniform identification, efficient routing, and seamless processing of cross-border transactions through the Society for Worldwide Interbank Financial Telecommunication (“**SWIFT**”) network. For the same, all IBUs had been directed by the IFSCA to inter alia, follow the below:

1. IBUs are required to add the words “GIFT IBU” in the SWIFT code. This will clearly depict that they are in GIFT IFSC;
2. IBUs are required to identify all the messages associated with their Bank Identifier Code (“**BIC**”), what are currently being received in their onshore India operations. They are required to ensure that their SWIFT systems are adequately configured so that all such messages are automatically directed to the appropriate IBU BIC for processing;
3. IBUs are required to share their SWIFT BIC code widely and ensure that the same is readily accessible through appropriate channels such as their website, brochures, customer communications, and other public-facing material;
4. IBUs are required to inform their partner banks and customers to use the correct SWIFT code for all their cross-border transactions. Further, IBUs are also required to appropriately populate the optional fields in SWIFT messages to clearly indicate that the message is intended for the IBU; and
5. from the financial quarter ending on March 31, 2026, IBUs are required to use the SWIFT message broadcast facility to share information about their BIC on a quarterly basis. Such broadcast will continue for 1 (one) year from the date of the circular.

## 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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40 Ranked Lawyers



8 Ranked Practices,  
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15 Practices and  
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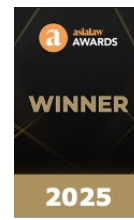
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