

GIFT City and its benefits

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Table of Contents

- 01** IFCs around the globe
- 02** Need for an IFC in India
- 03** Overview of IFSC ecosystem
- 04** Benefits of setting up in IFSC
- 05** Considerations of setting up in IFSC
- 06** Jurisdictional comparison
- 07** Permissible activities in IFSC
- 08** Structures
- 09** Emerging business segments
- 10** IFSCA proposals

01

IFCs around the globe

IFCs in world – Top ten IFCs

1	New York
2	London
3	Hong Kong
4	Singapore
5	San Francisco

6	Shanghai
7	Dubai
8	Seoul
9	Shenzhen
1	Tokyo

46	GIFT City- Gujarat
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52	Mumbai
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54	New Delhi
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Source : [39th edition of the Global Financial Centres Index \(GFCI 39\) published on 26 March 2026.](#)

02

Need for an IFC in India

Key Imperative to promote IFC in India

1

Onshore international financial services business from offshore centres such as Singapore, Hong Kong, Dubai, London, etc. to India

2

Establish India as a global financial hub by creating a stable, efficient, and innovation-driven financial ecosystem that attracts international capital, talent, and businesses

3

Develop expertise in niche and specialised businesses - aircraft and ship leasing, fintech, global treasury centres, etc

4

Provide high quality employment opportunities to the talented Indian workforce.

03

Overview of IFSC ecosystem

IFSC - Overview

IFSC in India

- GIFT is India's first and only notified IFSC
- Approved, recognised and regulated by the Government of India under the SEZ Act, 2006
- Intent is to boost the financial services industry leveraging upon vast Indian talent pool.



1200+ Entities

Already registered in IFSC



USD39.09 billion

Cumulative commitments
garnered by the schemes



26.25 per cent

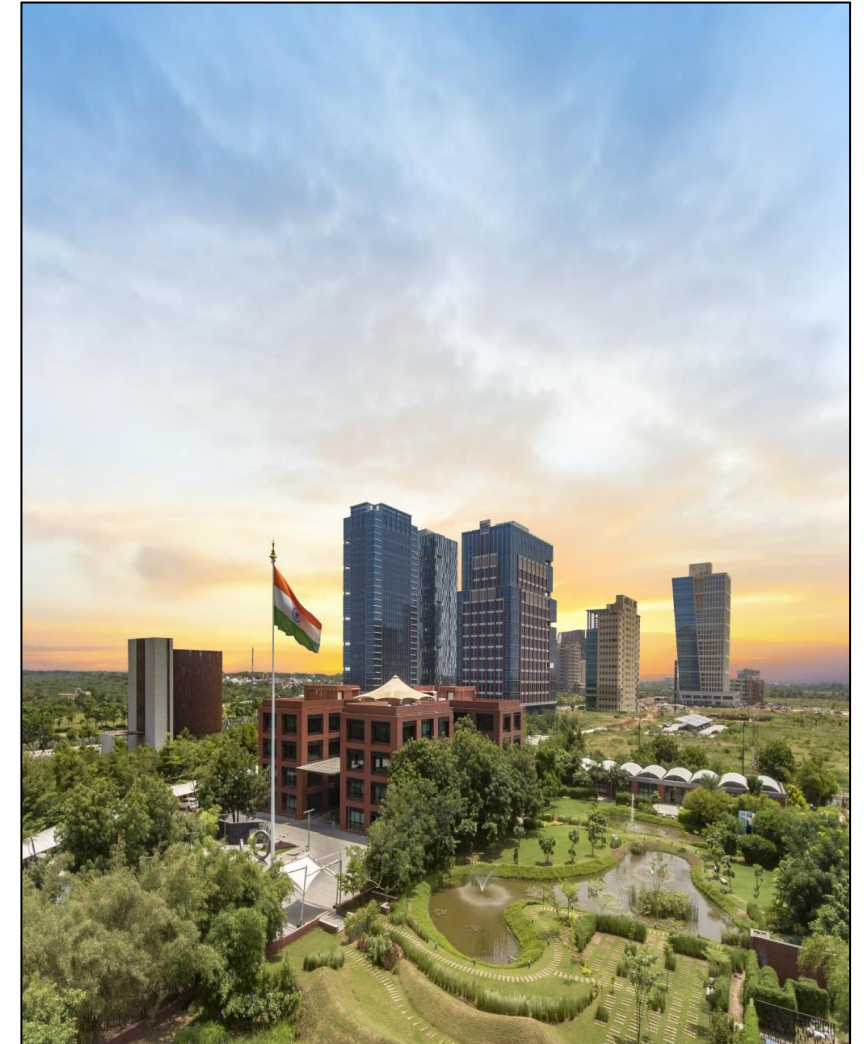
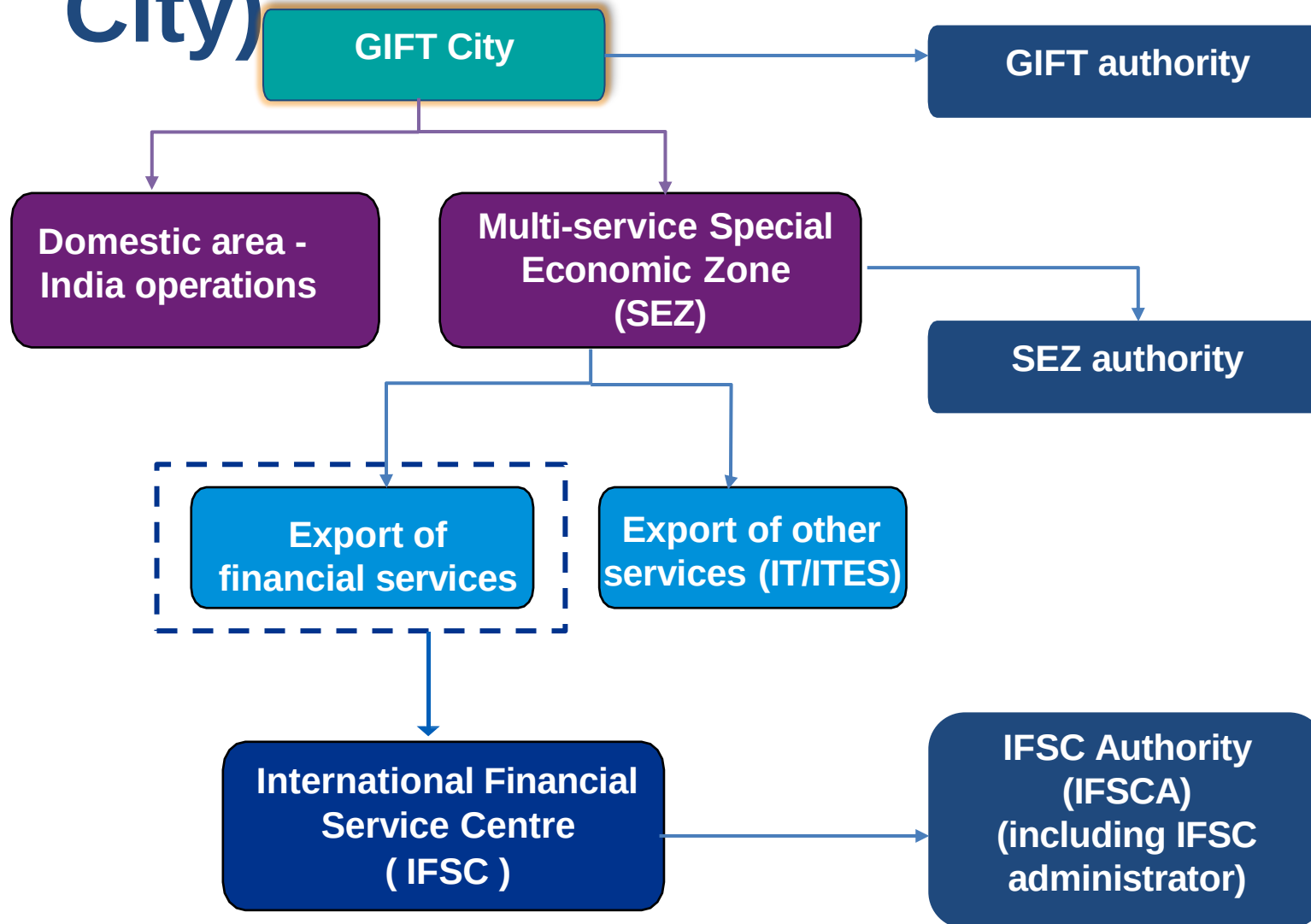
QoQ growth on cumulative
investments

Source: [IFSCA Bulletin Q4 FY 2025-26](#)
published on 01 June 2026

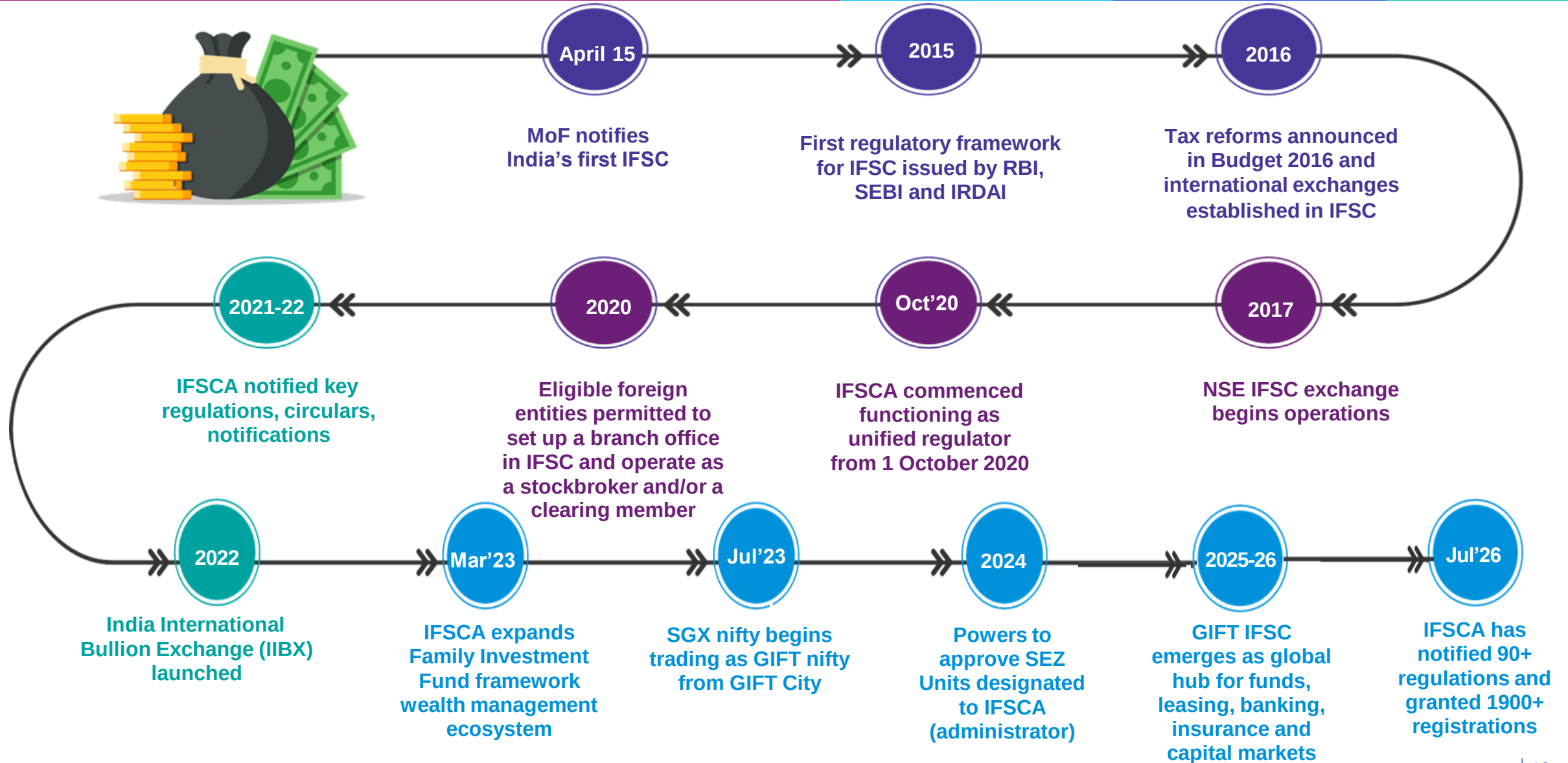
Key contours of IFSC in India

- GIFT City should not be equated with IFSC; IFSC is a part of GIFT City
- IFSC authority have introduced series of regulatory amendments in various regulations with a view to attract global capital and enhance ease of doing business
- The regulatory provisions, combined with a well-defined taxation regime provide for a strong foundation for financial entities to consider setting up/relocating funds to IFSC in India
- Transactions within the IFSC are permitted exclusively in foreign currencies (e.g., USD). Use of Indian Rupee (INR) is not allowed. Administrative expenditures must be routed through a Special Non-Resident Rupee (SNRR) account.

Gujarat International Finance Tec-City (GIFT City)



GIFT IFSC: Journey so far



GIFT IFSC – Then vs now



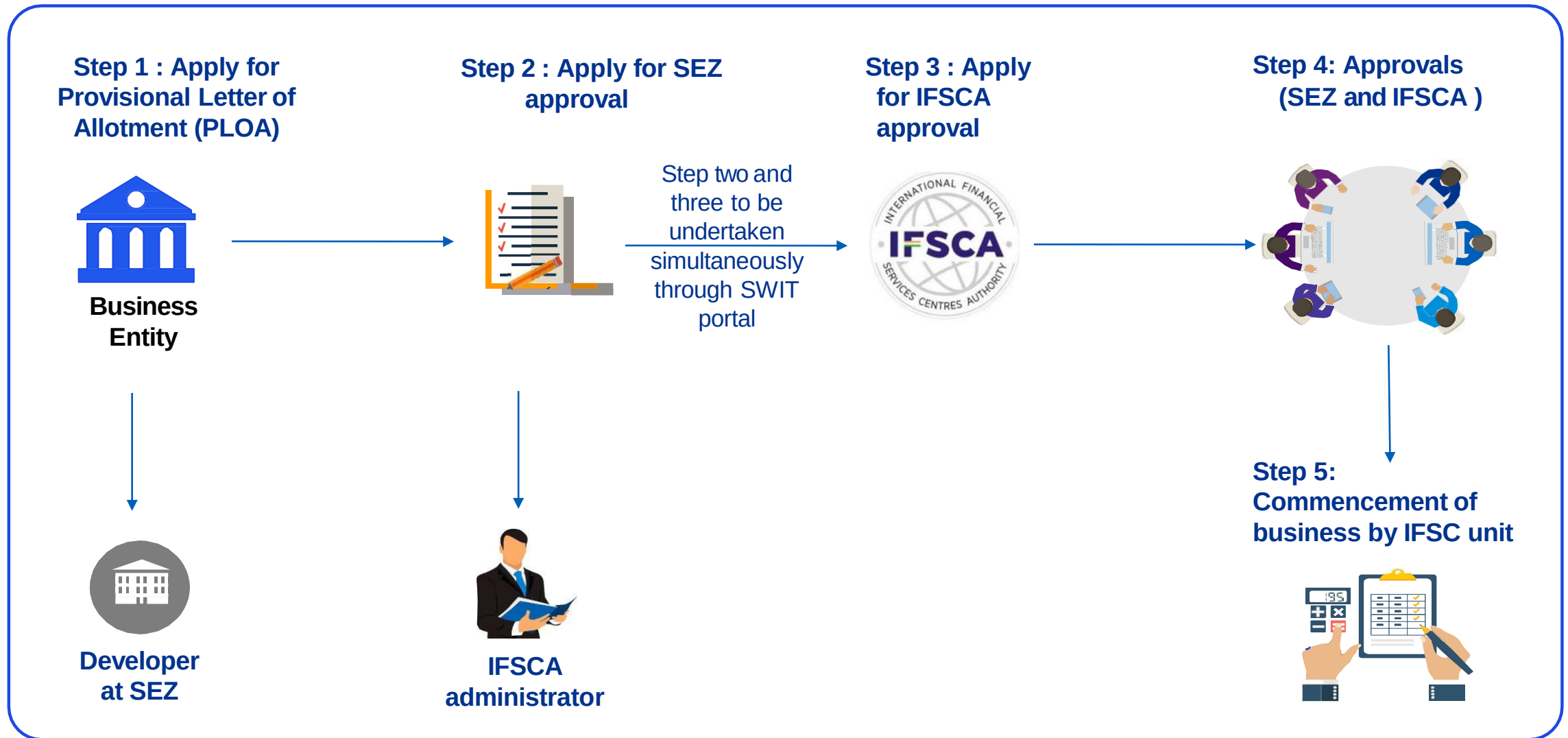
GIFT City: January 2011

GIFT City: 2015



GIFT City: July 2026

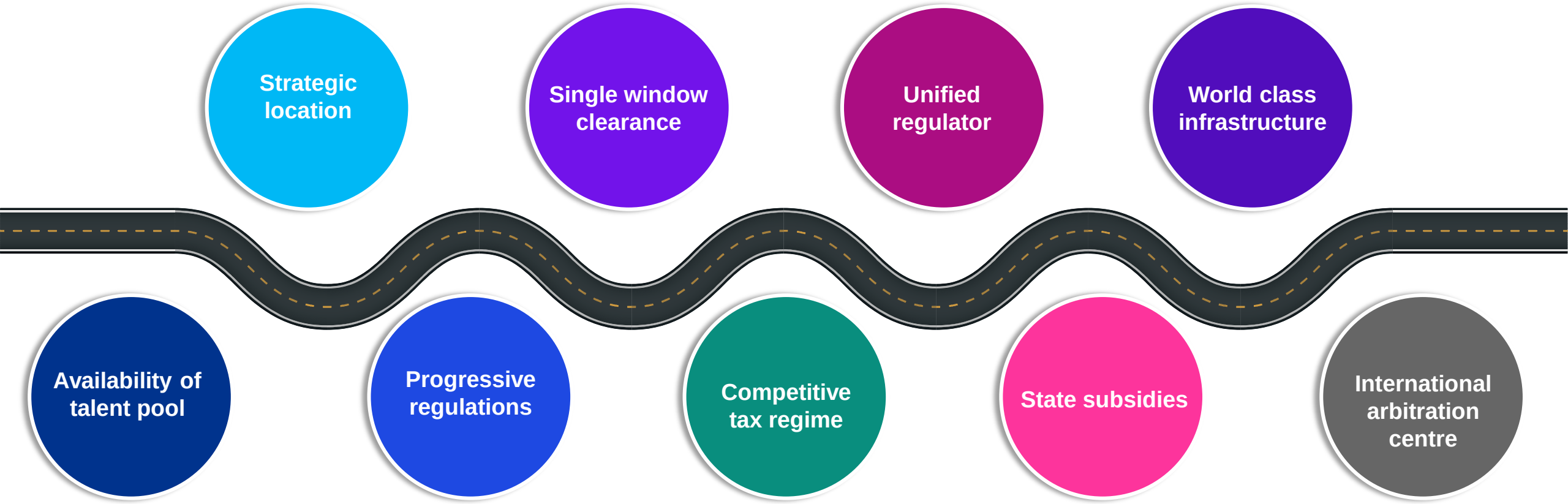
Overview of setting up Unit in SEZ/IFSC



04

Benefits – Tax and Regulatory Incentives

Key benefits in GIFT IFSC



Key tax incentives



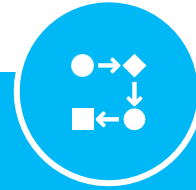
20-year income tax holiday out of 25 years from commencement of operations

15 per cent* tax rate during non-tax holiday period



Concessional Minimum Alternate Tax (MAT) at 9 per cent of book profits for companies in IFSC

Nil if concessional tax regime is opted



Interest paid by IFSC units to non-residents on money lent is fully exempt under domestic law

Dividends paid by a IFSC unit to its non-resident shareholders taxable at the rate of 10 per cent*



- No GST on export of services
- Transfer pricing applicable
- Customs duty exemption.

**to be increased for surcharge and cess*

State incentives for units in IFSC

Gujarat IT/ITeS policy 2022 offers lucrative CAPEX and Operating Expense (OPEX) incentives to a new unit or to existing units carrying out expansion*

Stamp duty	100 per cent reimbursement of stamp duty
Electricity duty and subsidy on tariff	100 per cent reimbursement of Electricity duty for five years
Reimbursement of Provident Fund contribution by employer	• 100 per cent of Employee Provident Fund amount paid in case of female employees • 75 per cent of Employee Provident fund amount paid in case of male employees.
Capital subsidy	Capital subsidy – 25 per cent of Eligible CAPEX (one-time) Upto INR200 crore where Gross Fixed Capital investment exceeds INR 250 crore (mega project) Upto INR50 crore where Gross Fixed Capital Investment is less than INR 250 crore
Operating expenses subsidy	15 per cent of OPEX (available for five years) Upto INR40 crores where Gross Fixed Capital investment exceeds INR 250 crores Upto INR20 crores where Gross Fixed Capital investment is less than INR 250 crores.

**The given incentives are provided on a high-level basis and would need a detailed analysis depending upon the structure of the entity set-up*

Exemptions to IFSC units under Companies Act, 2013



05

Considerations of setting up in IFSC

Key considerations for setting up in

IFSC

Regulatory familiarisation

- Understanding the IFSC-specific framework and regulatory architecture
- Aligning business models with evolving international financial services regulations.

Operating model design

- Determining the appropriate entity structure, governance model, and licensing requirements
- Establishing cross-border operating and risk management frameworks.

Talent and capability building

- Accessing specialised talent across banking, capital markets, fund management, insurance, and leasing
- Building institutional capabilities for international business operations.

Ecosystem integration

- Leveraging the growing network of banks, exchanges, custodians, fund administrators, and professional service providers
- Developing partnerships within the IFSC ecosystem.

Business scale and strategic fit

- Assessing opportunities to consolidate international activities within a single jurisdiction
- Aligning IFSC presence with long-term global growth and expansion plans.

Market development and connectivity

- Building relationships with global investors, counterparties, and intermediaries
- Utilising IFSC as a gateway for international capital flows.

Operational readiness

- Establishing compliance, reporting, treasury, and technology infrastructure
- Integrating global and domestic business processes.

06

Jurisdictional | comparison

Jurisdictional comparison

		FEMA	Currency	Tax	Law	Regulator
Rest of the world (Foreign jurisdiction)		Offshore non-resident	Respective international currency	Offshore	Resident's jurisdiction	Different per jurisdiction
GIFT City	IFSC (SEZ)	Offshore non-resident	15 currencies (INR not permitted)	Tax holiday (Tax resident)	Indian jurisdiction	IFSCA (unified regulator)
	Domestic tariff area	Onshore resident	INR denominated	Taxes as applicable (tax resident)	Indian jurisdiction	RBI, SEBI, IRDAI, PFRDA

Jurisdictional analysis

Taxability (→) Investment from (↓)	Dividend	Interest	Capital Gains (Shares)	Capital Gains (other securities)	Principal purpose test	Beneficial ownership
Singapore	10% (if holding >25%) Otherwise, 15%	15% (10% for interest on loans granted by banks)	Taxable as domestic law	Exempt in India	Yes	Yes
Ireland	10%	10%	Taxable as domestic law	Exempt in India	Yes	Yes
Luxembourg	10%	10%	Taxable as domestic law	Exempt in India	Yes	Yes
USA	15% (if holding >10%) Otherwise, 25%	15% (10% for interest on loans granted by banks)	Taxable as domestic law	Taxable as domestic law	No	Yes
United Kingdom	10%	15% (10% for interest on loans granted by banks)	Taxable as domestic law	Taxable as domestic law	Yes	Yes
IFSC AIF III	10%	10%	Taxable as domestic law	Exempt as per section 10(4D)	No	No
Unitholders in AIF III in IFSC			0% / not taxable			

GIFT IFSC vs Global Financial Centres

#	Global financial centre	Employment	Banking asset size	Asset under management	Re(insurance) gross premium booked	FinTech cos and startups
1	Hong Kong (50+ years)	2,69,000 +	USD3.4 Tn (151 Banks)	USD4 Tn (2127 Asset Managers)	USD81 Bn (157 Insurance Firms)	1100 FinTech Cos
2	Singapore (50 years)	2,00,000 +	USD2.8 Tn (154 Banks)	USD4.2 Tn (1250 Asset Managers)	USD14.7 Bn (118 Insurance Firms)	1300 FinTech Cos
3	DIFC, Dubai (20 years)	46000+	USD199 Bn (200 Banks)	USD700 Bn (410 Asset Managers)	USD3.5 Bn (125 Insurance Firms)	1240 FinTech Cos
4	ADGM, Abu Dhabi (ten years)	12000 +	NA (13+ Banks)	NA (144 Asset Managers)	USD 759 Mn	275 FinTech Cos
5	Gift City IFSC	6200+	USD100 Bn (35 Banks)	USD26.30 Bn (194 Fund Managers)	USD 560 Mn (22 insurance firms)	24 TechFins

Above statistics is as per ICAI report dt Sept 2025

07

Permissible activities in IFSC

Permissible activities in IFSC



Banks

- Indian banks
- Foreign banks



Capital market

- Stock/commodity exchanges
- Clearing corporation
- Depository
- Broker dealer



Asset management

- Alternate Investment Fund
- Investment advisers
- Wealth management
- Portfolio manager
- Custodial services.



Insurance

- Indian insurer
- Indian reinsurer
- Indian broker
- Foreign insurer
- Foreign reinsurer.



Other financial institutions

- Finance company
- Global Corporate Treasury Centre (GCTC)
- Global inhouse centres
- Aircraft/ship Leasing and financing
- FinTech/TechFin Cos



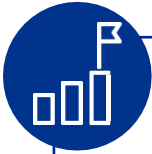
Other activities

- Trusteeship entities
- Fund administrators
- Lawyers
- Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (BATF)

Key Entities in GIFT IFSC

Banking Industry (45)	Funds Industry (637)	Service Provider (82)	Other entities	Firms in DTA
Australia and New Zealand Banking Group	Lighthouse Canton (IFSC) Fund	KPMG Assurance and consulting Services	INDmoney Payments IFSC Private Limited	IBM
Axis Bank	Aequitas Global Value Fund	Ernst & Young	Anand Rathi International Ventures	Google
Barclays Bank Plc	Morgan Stanley	Cyril Amarchand Mangaldas	Kerala Manufactures Jewellery	Capgemini
BNP Paribas	360 ONE group	Infosys Limited	University of Wollongong	Tata Consultancy Services
First Abu Dhabi Bank PJSC	Bandhan Funds	Kfin Technologies Limited	CDSL Ventures Limited	GJ Tech Solutions Private Limited
HSBC Bank	Vortis Advisors Overseas LLP	Vistra ITCL (India)	Axis Max Life Insurance Limited	Infibeam Avenues Limited
J.P.Morgan Securities PLC	UTI India Opportunities (IFSC) Fund	Wipro Limited	Deloitte India	<i>...and many more</i>

Business highlights in GIFT IFSC



1200 +

Number of registrations granted by IFSCA till March 2026



USD 337 Bn

Monthly turnover on IFSC International Stock Exchanges in March 2026



USD 111 Bn

Total banking asset size till March 2026



217

Number of FMEs registered till March 2026 in around 360 schemes



USD 70+ Bn

Cumulative debt Listing on IFSC exchanges till March 2026



USD 176 Bn

Cumulative banking transactions during Q4 2026



370+

Aviation assets leased from IFSC till March 2026



USD 27+ Mn

Total ESG fund investments made as of March 2026



USD 109 Bn

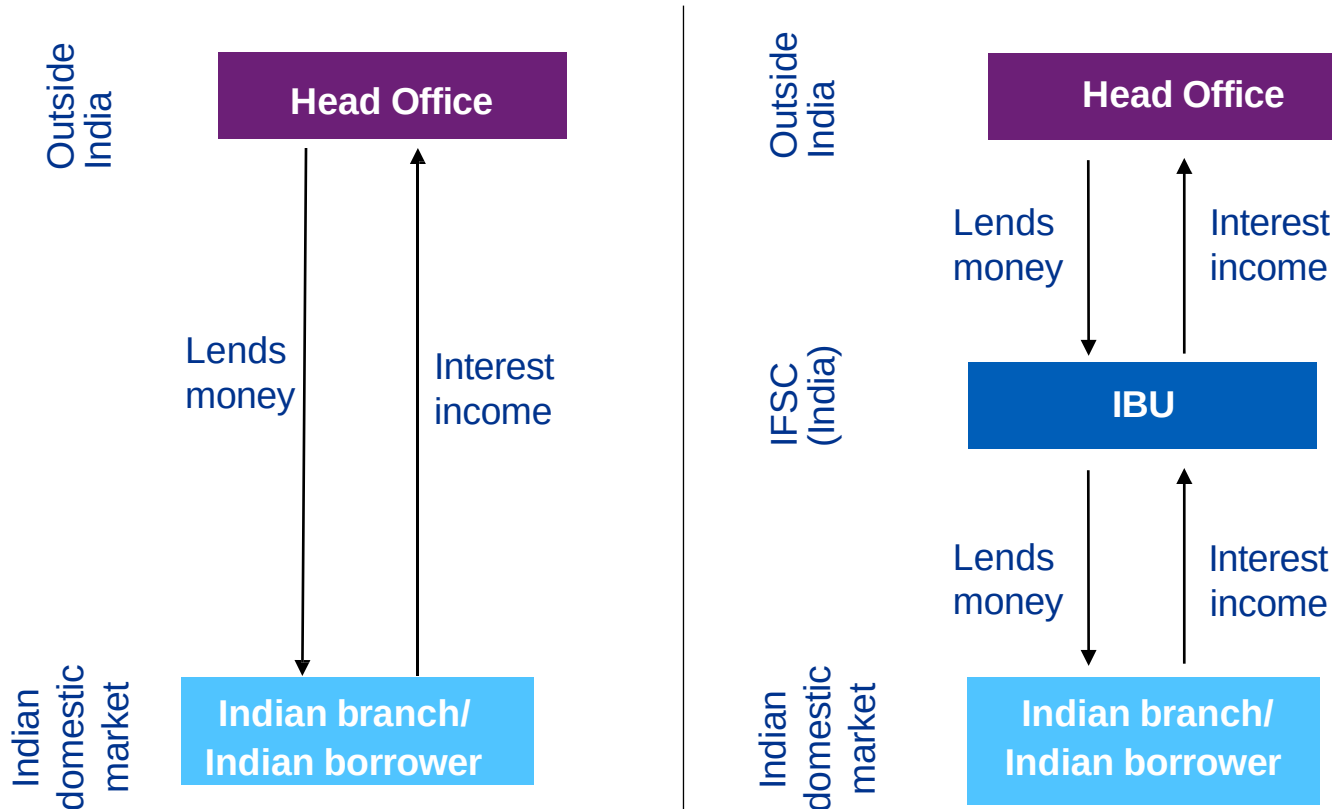
Derivative transactions booked by banks during Q4 2025-26

Source: [IFSCA Bulletin 2025-26 Q4](#) published on 01 June 2026

08

Structures

IFSC Banking Units (IBUs)



Added tax advantage vis-à-vis lending by foreign banks from offshore jurisdiction

Provisions

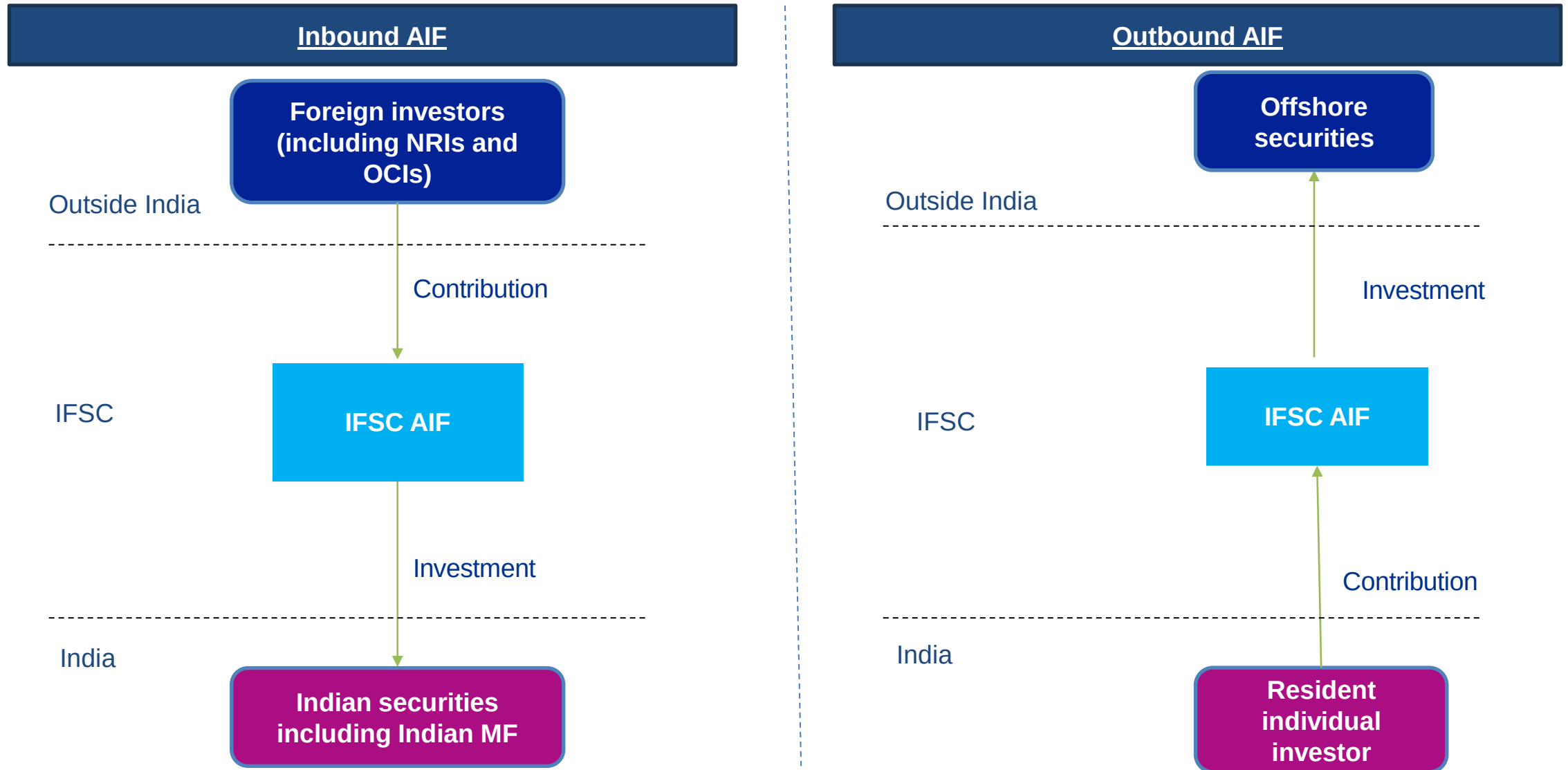
Key mechanics

- Banking Unit in IFSC may be set up as an:
 - IFSC Banking Unit (IBU) or
 - IFSC Banking Company (IBC).
- Permissible activities such as foreign loan/trade finance/leasing/acquisition financing etc. to borrowers;
- Issue Offshore Derivative Instruments (ODIs).

Key tax considerations

- 100 per cent tax holiday/deduction from its business income for any 20 consecutive Financial years out of first 25 Financial Years
- Interest income of HO on money lent to IBU is exempt u/s 10(15)(ix);
- Income from ODI earned by NR is exempt u/s 10(4E) (including income on transfer).

Alternative investment funds (1/2)



Alternative investment funds (2/2)

Key benefits of setting up AIF in IFSC

Tax break for 100 per cent of business profits (i.e. management fees) for IFSC Fund Management Entity for consecutive 20 years out of 25 years

No GST on management fees earned by the fund management entity

Dividend/interest taxable at concessional rate of 10 per cent *vis-à-vis* 21.84 per cent

Capital gains on sale of Indian securities (except shares in Indian company) such as derivatives, units of Mutual Fund/Alternative Investment Funds/exchange traded funds, debt securities and certain specified securities traded on IFSC exchanges are exempt from tax

In case of Cat I and II AIF, Foreign investors (with no other income except income from said specified IFSC fund) are exempt from obtaining Permanent Account Number and filing tax return in India.

100%

Form of setup
 Finance Company (FC): Subsidiary, JV or New Company
 Finance Unit (FU): Branch of Indian/Foreign Company

Finance Unit (FU): Branch of Indian/Foreign Company

Parent company:
To be from FATF*- compliant jurisdiction

Service recipient:
Group entities of parent or affiliates
(resident/non-resident)

Capital requirement:
FC: Minimum owned fund** of **USD0.2 Mn**
FU: Capital maintained at parent level

Staffing requirement:
Minimum five qualified employees in IFSC (incl. Head of Treasury and Compliance Officer) before operations – relaxation possible for ***first year of operations***

Relaxation from Prudential Norms:
GCTC are exempt from maintaining Capital Ratio, Liquidity Coverage ratio and exposure ceiling

***Owned fund- Paid-up-capital and free reserves excluding revaluation reserves, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any"*

Finance Company

Finance Companies are permitted to carry out permissible core (such as lending, investments/GCTCs etc.) / non-core activities (merchant banking, aircraft/ship Leasing etc.)



FCs akin to NBFCs

FCs are equivalent to NBFCs in domestic tariff area. These entities compliment banks by offering credit, trade finance, structured products and other innovative services



Form of setup

- Finance Company (FC) or a Finance unit (i.e. branch)
- LLP or Trust structure is permitted only in case of non-core activities.



Eligibility criteria

- FCs/FUs cannot accept public deposits
- NOC from its home country regulator in case parent is into regulated financial activity.



Prudential norms

- Prescribed ratios to be maintained such as capital ratio, liquidity coverage ratio
- Prudential regulation to be followed mainly as applicable to banking units in IFSCs.

Capital ratio

To maintain a minimum capital ratio at 8 per cent of its regulatory capital to its risk-weighted assets or such other percentage as may be specified by the IFSCA

Minimum owned funds

- USD3 Mn (or equivalent freely convertible currency) for entities undertaking core activities [except the activity of GCTC]
- USD0.2 Mn for entities undertaking only non-core activities.

Exposure ceiling

Cumulative exposures of a FC to a single counterparty or group of connected counterparties cannot exceed 25 per cent of its available eligible capital base (IFSCA may consider relaxation on case-to-case basis)

Liquidity Coverage Ratio

To maintain a liquidity coverage ratio on a stand-alone basis, at all times (typically to cover the payments for 30 days window)

Finance Company- Permissible core/non-core activities

Permitted core activities

- Lending in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease and sale and purchase of portfolios;
- Factoring and forfaiting of receivables;
- Undertaking investments, including subscribing, acquiring, holding or transferring securities or such other instruments as may be permitted by the authority;
- Buying or selling derivatives;
- Global/regional Corporate Treasury Centres;
- Any other core activity as may be permitted by the IFSCA.



No. of Finance
Companies
registered in
IFSC

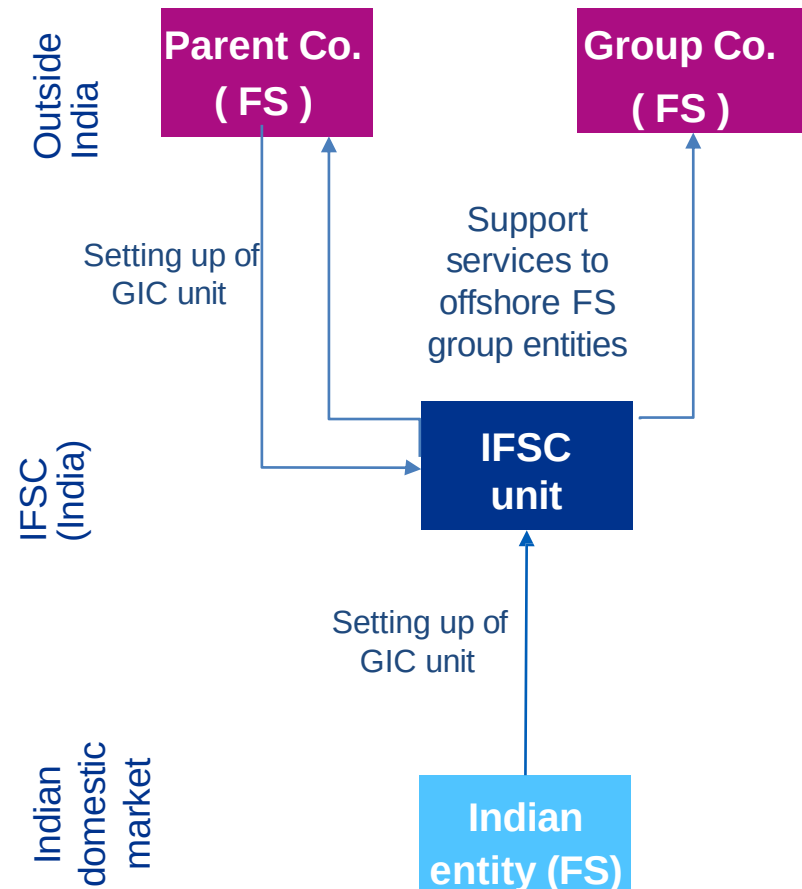
Core- eight
Non-core- one

Permitted non-core activities

- Merchant banking/authorised persons;
- Registrar and share transfer agent;
- Trusteeship services;
- Investment advisory services/ Portfolio Management Services;
- Aircraft or ship operating lease;
- International trade financing services platform;
- Distribution of financial products (including Mutual Fund units and insurance products);
- Function as trading and clearing members or professional clearing member of exchanges and clearing corporations set up in IFSCs;
- Asset management support services permitted under the framework for enabling ancillary services as specified by the authority;
- Undertaking to act as facilitators of permissible activities as and when permitted by the authority;
- Any other activity without involving a customer interface, as may be permitted with the prior approval of the authority, that is classified as a non-core activity by the authority, under these regulations; and
- Any other activity, as may be permitted and classified as a non-core activity by the authority, under these regulations.

Global In-house Centre (GIC)

GIC is a unit set up in the IFSC for *providing support services, directly or indirectly*, to entities within its 'financial service group'



➤ Eligibility criteria

- An entity belonging to a financial services group can set up a GIC in IFSC;
- Entities to be served must be from Financial Action Task Force (FATF) compliant jurisdiction;
- Support services should be for providing financial services pertaining to a financial product.

➤ Mode of conducting business

Company/Limited Liability Partnership (LLP)/branch/any other form of legal entity permitted by the IFSCA.

➤ Permitted currency

GIC shall deal in freely convertible currency only. (Admin expenses – INR)

➤ Permissible activities

GIC shall exclusively cater to non-resident entities of its financial services group.

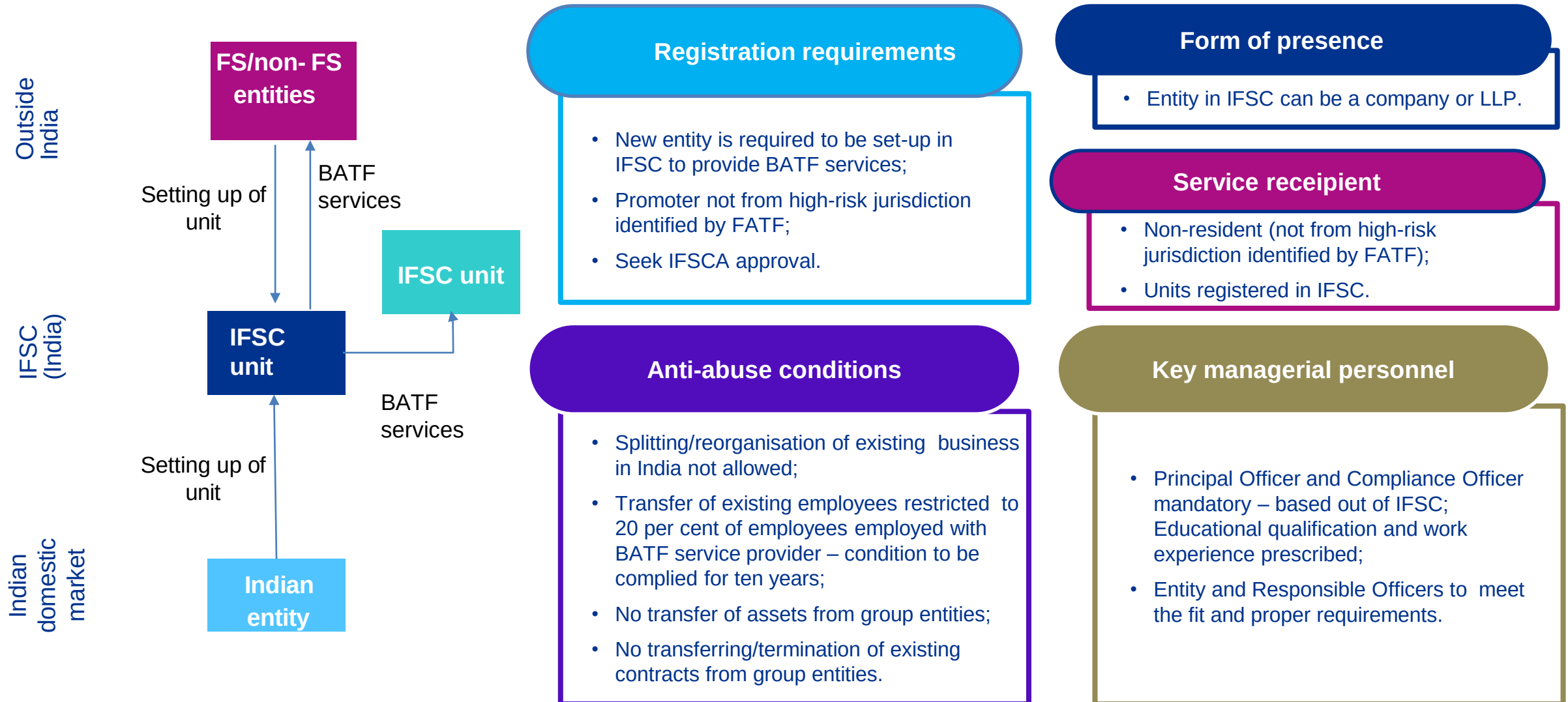
➤ Relocation of employees

Relocation of supervisory personnel from a domestic entity permitted up to a maximum of twenty per cent of strength in such category.

➤ Books of accounts

GIC shall maintain its books of accounts, records and documents in such foreign currency as declared in application seeking approval.

BATF services



09

Emerging business segments

TechFin opportunity in IFSC GIFT City

With the TechFin Ancillary Services Regulations from July 2025 - increased traction; Tech giants have already set up in IFSC.

Applicant

Indian entity or foreign entity – new company or branch or LLP;
All promoters or partners to be FATF compliant.

Eligibility

Technical solutions or services which directly or indirectly aid specified financial services.

Service recipient

Only to non-resident being a direct recipient of services or intermediaries which delivers services directly to service recipient.

23 permissible activities



- Solutions or services provided by leveraging technology such as AI, ML, blockchain, data analytics;
- Cyber security, cyber security architecture and cyber risk management services;
- Application development and maintenance;
- Automation and robotic process automation;
- Enterprise resource planning systems;
- Implementation of enterprise Governance, Risk and Compliance (eGRC) software platforms;
- Information Technology infrastructure and cloud insurance;
- Management of IT infrastructure and technology services associated with payment system ecosystem;
- Outsourced services as permitted to regulated entities in their home country;
- CoE, offshore development centre, technology capability centre to provide R&D support in technology.

Foreign universities

Foreign universities can establish International Branch Campus (IBC)

Foreign education institution can establish Offshore Education Centre (OEC)

Complete Policy and Regulatory Ecosystem in Place

- 100 per cent foreign ownership permitted
- Free from domestic regulations (UGC and AICTE Acts disappplied);
- Globally aligned IFSCA (IBC and OEC) Regulations 2022;
- Permitted courses- financial management, fintech and STEM;
- Academic and administrative autonomy;
- Charge tuition fee in USD, Euro, AUD, etc.;
- No regulatory prescription on tuition fee;
- Complete freedom to repatriate profits;
- Tax incentive- 20 years tax holiday.

Live and upcoming universities in GIFT

Deakin University	Started in July 2024. Courses offered: • Master of Cyber Security; • Master of Business Analytics
University of Wollongong	Started in November 2024. Courses offered: • Master of Fin-Tech; • Master of Computing.
Queen's University Belfast	Started in January 2026. Courses offered: • MSc Business Analytics; • MSc Finance.

U.K. universities in GIFT IFSC

- Coventry University (In-principle approval granted) to commence shortly;
- University of Surrey (In-principle approval granted) to commence from July 2027.

International Fintech Innovation and Research Centre

- GIFT City along with Government of Gujarat and Asian Development Bank has developed and inaugurated International Fintech Institute (GIFT IFI);
- Training, incubation, accelerator and research focused.
- **Academic partners:**

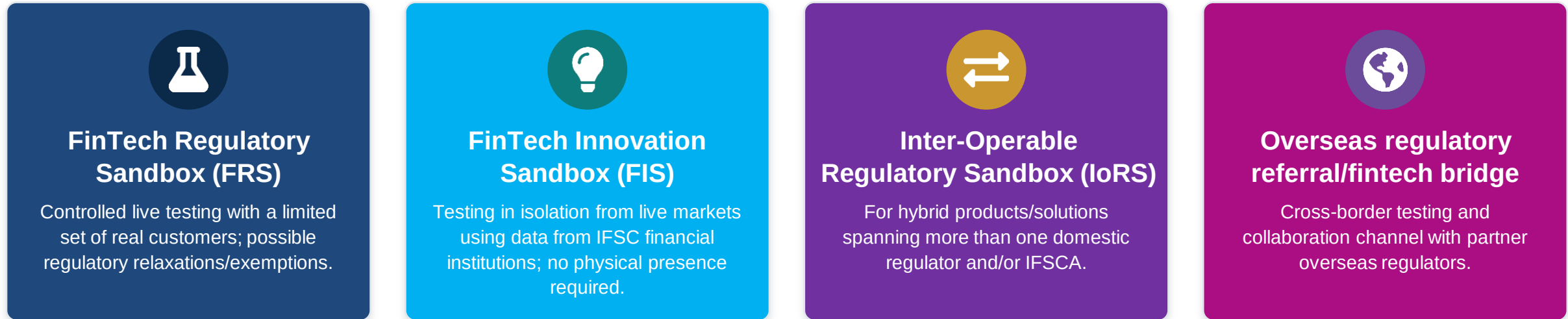
Ahmedabad University	IIT Gandhinagar	University of California San Diego
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- **Incubation Partner: PLUG AND PLAY**
- GIFT IFI aims to meet shortage of skilled talent for fintech;
- IFI is part of GIFT's three-tier plan to develop a 360-degree ecosystem for fintech operations and education.

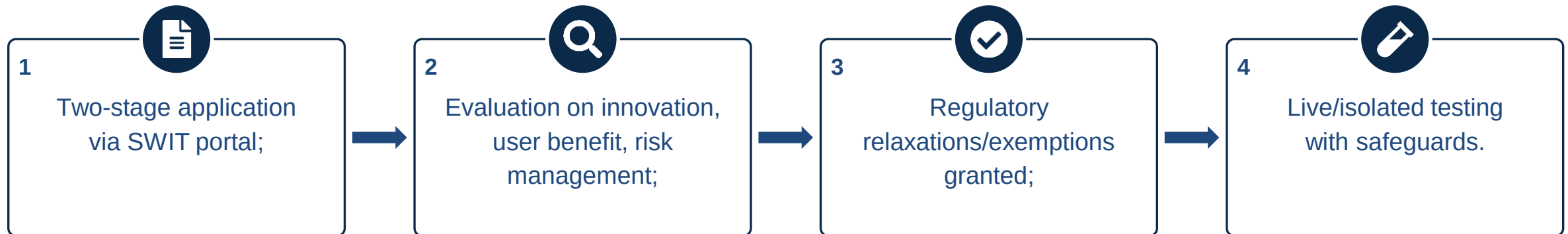


IFSCA Fintech Sandbox Framework

Unified sandbox regime for FinTechs in India's IFSC — effective 16 March 2026, superseding the 2020 and 2022 frameworks



Application and approval pathway



Source: [IFSCA Fintech Sandbox Framework Press Release](#) dated 16 March 2026 and [FAQs](#)

10

IFSCA proposals

IFSCA Consultation Papers

IFSCA, as regulator, very dynamic, pragmatic and open to innovative ideas. Key areas where consultation papers have been released:

01	Direct listing of securities in IFSC
02	International Arbitration Center Framework
03	Set-up of variable capital companies
04	Onshoring of Indian start-ups
05	Fintech sandbox regime
06	REIT and InvIT framework
07	Various others relating to fund management, insurance, capital markets, ancillary service providers, etc.



Q&A

Thank you

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