

# **FREQUENTLY ASKED QUESTIONS** **ON INTERNATIONAL FINANCIAL** **SERVICES CENTRES AUTHORITY** **(GLOBAL IN-HOUSE CENTRES)** **REGULATIONS, 2025**

**Disclaimer:** These FAQs are not an authoritative interpretation of the law. They are intended to provide a simplified explanation of processes, terms, and requirements under the IFSCA (Global In-house Centre) Regulations, 2025. In case of any disparity between these FAQs and the provisions of the Act/Regulations/Circulars, the later shall prevail. For official legal reference, stakeholders must refer the Acts, Regulations, Guidelines, and Circulars available under the 'Legal' section of the [IFSCA Website](#).

## **INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY**

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### **FREQUENTLY ASKED QUESTIONS ON INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (GLOBAL IN-HOUSE CENTRES) REGULATIONS, 2025**

#### **FAQs on Application, Legal Form and Registration**

##### **1. What is a GIC Unit?**

GIC Unit means a Unit set up in International Financial Services Centre for delivering services relating to financial products and financial services to a Financial Institution Group under any of the operating models, viz Captive Centre, Build-Operate-Transfer, Joint Venture or Hybrid.

##### **2. Who can apply for setting up a GIC Unit?**

Entities that qualify as a Financial Institution Group are eligible to apply for setting up a GIC Unit. However, in permitted operating models such as Build-Operate-Transfer (BOT) model, a third-party service provider may apply, subject to prior authorization from the Financial Institution Group.

##### **3. What is a Financial Institution Group?**

It means entity(ies) of a group (i.e., Group Entity) engaged in providing financial services or carrying out financial activities including banks, Non-Banking Financial Companies (NBFCs), insurance companies, re-insurance companies, actuaries, brokerage firms, funds, investment banks, financial intermediaries, stock exchanges, clearing corporations, depositories, custodians, and similar financial institutions.

##### **4. Are there any jurisdictional restrictions for the applicants?**

Yes. The applicant, its promoters, partners, or parent entity (in case of a branch) must not be from a jurisdiction identified by the Financial Action Task Force (FATF) as a “*High-Risk Jurisdiction subject to call for action.*”

**5. In what legal form(s) can a GIC Unit be set up?**

A GIC Unit may be set up in any of the following forms: -

- (i) A company or LLP incorporated in the IFSC; or
- (ii) A branch of a company or LLP incorporated outside the IFSC.

**6. What is the process for making application and seeking registration as a GIC Unit?**

The process for making application and seeking registration as a GIC Unit is as follows:

- (i) Applicants shall submit the applications through the Single Window IT System (SWIT), along with the requisite documents and application fees specified by the IFSCA;
- (ii) On consideration of the application, IFSCA may grant *in-principle* approval to the applicant, for compliance of certain conditions within 180 days or such extended period; and
- (iii) On satisfaction of fulfilment of the conditions within 180 days or such extended period, IFSCA may grant Certificate of Registration to the applicant.

**7. How will an application be processed if deficiencies are identified?**

If any deficiencies are identified in the application, the IFSCA will communicate the same to the applicant, specifying the deficiencies and advising the applicant to rectify them. Upon receipt of such communication, the applicant shall be required to rectify the deficiencies within 30 days. Failure to rectify such deficiencies within 30 days, may result in rejection of the application.

**FAQs on permissible services and service recipients**

**8. What kind of services a GIC Unit can provide?**

The GIC Unit may provide services in relation to financial product(s) and financial service(s) to the entities of the Financial Institution Group. These services, *inter-alia*, include TechFin Services, Ancillary Services and BATF services, etc.

**9. Who can be a service recipient of a GIC Unit?**

The GIC Unit shall provide services only to the entities of the Financial Institution Group which are '*non-resident*' and are located in the jurisdictions which have not been identified in the

public statement of Financial Action Task Force (FATF) as “*High-Risk Jurisdiction subject to call for action*”.

**10. Can a GIC Unit provide services to any entity (ies) of its Financial Institution Group in India?**

Yes, but such services must not exceed **10% of the total revenue** of the GIC Unit in a financial year.

However, the above ceiling is not applicable in the following case:

The GIC services proposed to be provided by the GIC Unit to entities of its Financial Services Group in India must have been previously undertaken by an overseas entity, and such services are now proposed to be on shored and provided through the GIC Unit in the IFSC, subject to prior approval of the Authority.

**Illustration:**

If an entity, *XYZ*, had earlier set up an overseas subsidiary, *ABC* in Singapore, to provide GIC services to *XYZ*'s group entities in India, the GIC Unit set up in IFSC by *XYZ* or any of its entity within the Financial Institution Group in the IFSC may be permitted to provide the same GIC services to group entities of *XYZ* in India, subject to approval by the Authority.

**FAQs on operating models of a GIC Unit**

**11. What are the different operating models under which a GIC Unit can be set up?**

The various operating models as mentioned in the regulations are explained as follows: -

(i) **Captive Centre model:**

A GIC Unit set up by any entity of a Financial Institution Group with an intent to provide GIC services to one or more entities of its the Financial Institution Group. This would mean the parent entity establishes and wholly owns the GIC Unit and its GIC operations.

(ii) **Build-Operate-Transfer (BOT) model:**

A GIC Unit set up either by an entity of a Financial Institution Group either directly or through a third party and operated by the third party for providing services to the Financial Institution Group for a limited period with an intent to eventually transfer the ownership/ operational control, as the case may be, to an entity of the Financial Institution Group.

This essentially means a third-party service provider builds and operates the GIC Unit for a set period, after which ownership is transferred to the any entity of the Financial Institution Group (Service Recipient).

(iii) **Joint Venture (JV) model:**

A GIC Unit set up jointly by one or more entities of different Groups, either of which shall be a Financial Institution Group, for the purpose of providing GIC services to the Financial Institution Group(s). This means a partnership where an entity of a Financial Institution Group (Service recipient) collaborates with a local or another global organization to run the GIC unit.

(iv) **Hybrid Model:**

Under this model, the Group entity will engage a service provider to hire and manage talent on its behalf to run its GIC Unit. This also include combination of two or more of the above models to operate GIC to provide GIC services for its Financial Institution Group entities. The Hybrid model is a strategic approach that combines the strengths of in-house operations with third-party intervention to optimize efficiency and innovation. The GIC maintains a core captive centre but outsources low-value, non-core, or routine tasks to third-party partners. A core team of in-house experts is maintained while specific projects or high-tech functions are subcontracted to third-party consultants.

## **FAQs on Compliance requirements and restrictions**

### **12. What reporting obligations apply to GIC Units?**

GIC Units must submit operational and financial information to IFSCA in the manner, format, and frequency as may be specified by the Authority. Financial reporting must be in **US Dollars**.

### **13. What are the compliance requirements and timelines applicable for the existing GIC Units to comply under the International Financial Services Centres Authority (Global In-House Centres) Regulations, 2025 ('GIC Regulations')?**

Existing GIC Units, which have been granted registration under erstwhile IFSCA(GIC) Regulations, 2020, shall comply with the following requirements within 90 days from the date of commencement of GIC Regulations, 2025: -

- (i) Declaration on Appointment or designation of Principal Officer;
- (ii) Declaration on Appointment or designation of Compliance Officer;
- (iii) Both officers (PO and CO) must be full-time employees; and must be based in the IFSC Unit; and
- (iv) Declaration on compliance with 'Fit and Proper criteria'.

### **14. Are there any restrictions on transfer of employees from any of the entities of Financial Services Group in India to GIC Unit at GIFT-IFSC?**

No. There are no restrictions on transfer of existing employees from any of the entities of Financial Services Group in India to its GIC Unit at GIFT-IFSC.

### **15. Are there any restrictions in setting up a GIC Unit in IFSC by transferring existing contracts or work arrangements from any of the entities of Financial Services Group in India?**

Yes. A GIC Unit shall not be set up in IFSC by transferring existing contracts or work arrangements from any of the entities of Financial Services Group in India.

## FAQs related to Third-Party Service Provider

### **16. When can a third party submit an application for setting of GIC Unit on behalf of Financial Institution Group entity(ies) and what details of third party may have to be provided in such application?**

When a Financial Institution Group entity desirous of setting up the GIC Unit on BOT model or any other model which requires services of a third party, in such case, the application may be filed by either Financial Institution Group directly or through a third-party services provider.

When such application is made by a third-party services provider, it should be accompanied by an authorisation by the Financial Institution Group, and the application shall contain the details of Financial Institution Group entity as per Common Application Form (CAF) in IFSCA's SWIT portal along with a basic information about third-party service provider.

## FAQs on Miscellaneous areas

### **17. What kind of material changes are to be reported to the IFSCA?**

The entity of the Financial Institution Group (FIG) shall immediately intimate the Authority, *inter-alia*, on any changes affecting the definition of by the FIG entity, change in KMPs, change in shareholding pattern disclosed at the time of application, etc.

In cases where the application is filed through third-party, the information related to change in business relations between FIG and third party shall also be reported.

### **18. What will be the process followed for those GIC Units which have been granted *in-principle* approval under erstwhile IFSCA (GIC) Regulations, 2020 and are yet to be granted CoR?**

The process for grant of CoR for such GIC Units, shall be processed in accordance with the GIC Regulations, 2025.

### **19. What will be the validity of the Certificate of Registration granted to a GIC Unit?**

The Certificate of Registration shall remain valid unless:

- (i) Suspended or cancelled by the IFSCA; or
- (ii) Voluntarily surrendered by the GIC Unit and accepted by the IFSCA.

Further, the GIC Unit shall at all times maintain a valid and subsisting Letter of Approval ('LoA') issued by the Office of Administrator (IFSCA) under the SEZ Act, 2005. The 'SEZ Compliance FAQs Booklet' available in the IFSCA website may be referred to regarding the process of obtaining LOA and subsequent compliances under the SEZ Act for GIC Units.

**20. What does “fit and proper” requirement entail?**

This would *inter-alia* require ensuring that all key persons (including directors, partners, controlling shareholders, principal officer, and compliance officer) must meet integrity, reputation, and financial soundness standards and must not suffer from any regulatory or legal disqualifications (Please refer regulation 9 of the GIC Regulations, 2025).

**21. Whether the IFSCA (Global In-House Centres) Regulations, 2020 still applicable?**

No. The IFSCA (Global In-House Centres) Regulations, 2020 and the circular issued thereunder vide November 18, 2020 have been repealed and superseded by the GIC Regulations, 2025.

**22. What fees are payable by a GIC Unit?**

GIC Units must pay applicable application fees; Annual fees/ recurring fees; and any other fees specified by IFSCA from time to time.

**23. What is the mode of payment for application, registration, annual fee and other fees?**

The fees shall be paid as per IFSCA fees circular dated 8<sup>th</sup> April, 2025, amended from time to time. The said circular is available at IFSCA website [www.ifsc.gov.in](http://www.ifsc.gov.in)

a) For payments in USD:

- Account Name: International Financial Services Centres Authority
- Account Number: 970105000174
- Type of Account: USD Current Account
- Bank Name: ICICI Bank Limited
- SWIFT Code: ICICINAAXXX
- NOSTRO Details: CHASUS33XXX

- Correspondent Bank: JP MORGAN CHASE BANK NA, NEW YORK, USA
- NOSTRO Account No.: 833999532

b) For payments in INR (for Indian entities other than those in GIFT-IFSC):

- Account Name: IFSCA FUND 2
- Account Number: 39907189884
- Bank Name: State Bank of India
- Type of Account: INR Current Account
- IFSC Code: SBIN0060228

Note: The applicable INR amount shall be calculated using the latest RBI reference rate, generally 7 days prior to the transaction date, available at [FBIL Website](#).

For comprehensive details, please refer to the IFSCA Fee Circular dated April 8, 2025, and any amendments issued thereafter.

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