PRESS RELEASE

IFSCA Authority Meeting

The 26th meeting of the IFSCA Authority (Authority) was held on December 22, 2025. The Authority, inter alia, approved the following:

1) Amendments to IFSCA (Fund Management), Regulations, 2025

The Authority has approved certain amendments to the IFSCA (Fund Management) Regulations, 2025 ("FM Regulations 2025"), in order 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. In this regard, the following amendments have been approved:

A. Eligibility Criteria for Key Managerial Personnel (KMPs)

1. The eligibility norms for the appointment of KMPs shall be relaxed, with respect to the work experience requirements. In addition to the existing eligibility criteria, a certification-based alternative eligibility criterion with a reduced work experience requirement shall be introduced.
2. The scope of organisations, whose work experience is considered eligible for the appointment of KMPs, shall be expanded to include experience in consulting / advisory firms / private or public companies, where the nature of work is similar or related to that performed in a typical institution in the financial industry. This expanded scope of work experience shall apply to both the extant eligibility criteria as well as the alternative eligibility criterion.

B. Validity of Private Placement Memorandum (PPM) of Schemes

1. Recognising the dynamic nature of the fundraising timelines and market conditions, greater flexibility shall be introduced with respect to the validity of PPMs for Venture Capital Schemes and Restricted Schemes.
2. The restriction of a one-time extension of validity of PPM shall be dispensed with, and FMEs shall now be permitted to avail multiple extensions of six months each for Venture Capital Schemes and Restricted Schemes, subject to payment of the prescribed fees and filing of the extension request while the PPM remains valid.
3. A one-time extension window of three (3) months shall be made available to such Venture Capital Schemes and Restricted Schemes where the PPMs have expired, including those open-ended schemes which have started investment activities with USD 1 Mn in funds raised but have failed to garner the minimum corpus of USD 3 Mn within the tenure of the scheme.
4. Specific provisions shall be introduced in order to protect the interests of investors in such open-ended schemes that have started investing with USD 1 Mn but fails to achieve the minimum corpus of USD 3 Mn.

C. Appointment of Custodian registered with IFSCA

1. The FMEs that are required to appoint a custodian based in IFSC under the FM Regulations, 2025 shall be provided a migration window of twenty-four (24) months, subject to certain conditions

2) IFSC Authority (Global-In-House Centre) Regulations, 2025.

1. The International Financial Services Centres Authority **(IFSCA) in its 26th meeting held on 22nd December, 2025** has approved the draft **IFSCA (Global In-House Centres) Regulations, 2025**, which is aimed at providing a comprehensive and enabling regulatory framework for the establishment and operation of Global In-House Centres (GICs) Units to deliver services related to financial products and financial service from GIFT-IFSC to entities of Financial Institution Group.

2. The regulations are aligned with IFSCA's objective of developing GIFT-IFSC as global hub for high-value financial and related services, while strengthening India's integration with global financial markets and value chains. Also, GIC Units can play a critical role in this vision by enabling financial institution groups to centralise specialised functions such as financial services

delivery, technology, risk management, compliance, analytics, and other high-end activities in a globally competitive and well-regulated environment.

3. As per the statistics, India hosts approximately 1,900 GCCs/GICs as of now, a number projected to grow to 2,400 by 2030. These sectors generated an export services revenue of USD 46 billion in FY 2022-23 and there is 40% rise in export services revenue to USD 64 billion by FY 2023-24, and created about 1.8 million jobs, with projections indicating growth to USD 120 billion with 4.3 million jobs by 2030 in India. This underscores the growing strategic importance of GCCs/GICs in India's economic and financial services landscape, especially at India's maiden IFSC in GIFT City.

4. Recognising the significance of this sector, IFSCA has been proactive in creating an enabling regulatory environment. Global In-House Centre (GIC) units have been an integral part of the IFSC ecosystem since its inception. The journey of GICs as a regulated financial service commenced with the notification issued by the Government of India on 16th October 2020, recognising GICs as a financial service for providing services relating to financial products and financial services. Pursuant thereto, the IFSCA (Global In-House Centres) Regulations, 2020 were issued to operationalise the GIC framework. Since then, the GIC ecosystem has evolved into a key pillar of the IFSC, contributing significantly to employment generation and the growth of high-value financial services.

5. Building on this experience and the evolving role of GICs within the IFSC and considering the outcomes of high-level deliberations as well as the requirement for periodic regulatory review, IFSCA undertook a comprehensive review of the existing GIC regulations, 2020. As part of this exercise, a two-stage public consultation process was conducted in July 2024 and September 2025, during which IFSCA received 80 comments from 18 stakeholders on various aspects, including definition of Financial Services Group, Transfer of employees, serving the resident entities, etc.

6. Based on stakeholder feedback and internal deliberations, the revamped GIC Regulations, 2025 have been drafted to enhance clarity, flexibility, align with global best practices, and to promote ease of doing business.

7. The salient features of the revised GIC Regulations are as follows:-

(i) Financial Institution Group can set up GIC unit in GIFT IFSC either directly or through a Third-Party services provider, to avail the GIC services for its group entities.

(ii) The framework formally recognises multiple operating models for GICs, including Captive Centre, Shared Services Centre, Build-Operate-Transfer (BOT), Joint Venture, Hybrid, and other models, enabling financial institution groups to structure their operations in line with business and strategic requirements.

(iii) Permitting GIC Units to provide services to group entities located in India up to 10 per cent of their total revenue in a financial year;

(iv) Enabling Financial Institution Groups currently operating from offshore locations serving India, to establish GICs in GIFT IFSC to service their Indian group entities from GIFT-IFSC;

(v) Easing the restriction on 20% cap on transfer of employees to GIFT IFSC; and

(vi) Widening the scope of GICs by allowing third-party service providers to facilitate the set-up and operation of GIC Units, including co-delivery model.

(vii) The regulations also provide clarity with respect to service recipients, service providers, and permissible services.

(viii) It lays down clear eligibility criteria, streamlined registration procedures, governance and fit-and-proper requirements for GIC Units. They provide clarity on currency of operations, reporting requirements, and supervisory oversight, while ensuring robust compliance and risk-management standards.

(ix) The framework also includes structured transition provisions for existing GIC Units, ensuring continuity of operations while aligning them with the updated regulatory requirements.

8. The revised framework is expected to facilitate the consolidation of cross-border financial services activities within the IFSC, create more employment opportunities, and enable to bring back the India centric financial services and transactions that are currently carried out in offshore financial centres to GIFT-IFSC by offering world class business and regulatory environment. And to reinforce the IFSC's position as a global hub for financial services contributing to the national vision of **Viksit Bharat @2047.**

3) IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) (Amendment) Regulations, 2024.

1. The Authority in its 26th meeting held on 22nd December, 2025 has approved a proposal to delete sub-regulation (12) of IFSCA (BATF) Regulations, 2024, which mandates prior requirement of office space of minimum carpet area of 60 Sq.ft per employee for a BATF Service Provider to operate from GIFT-IFSC. The proposal to remove such requirement is aimed to reduce entry barrier as the mandatory office space requirements raise fixed costs, discourage new entrants, and may hinder the growth of the BATF ecosystem in IFSC. This would promote ease of doing business, improve competitiveness, and support development of professional services ecosystem at GIFT-IFSC.

4) IFSCA (Capital Market Intermediaries) (Amendment) Regulations, 2025 ("CMI Regulations"):

1. Eligibility criteria for Principal Officer and Compliance Officer

a) Post graduate degrees in fintech, science, technology, engineering, and mathematics disciplines have also been included as eligible qualification criteria for principal officers and compliance officers of capital market intermediaries.

b) The minimum number of experience for a graduate to act as a principal officer / compliance officer of a capital market intermediary has been reduced from 10 years to 5 years.

2. Capital Market Intermediaries with multiple registration

A capital market intermediary having multiple registrations as broker dealer, investment adviser, research entity, clearing member, depository participant, custodian and distributor have been permitted to have same person as principal officer, provided that the entity shall appoint a separate official as vertical head for its "Distribution" related business activities.

3. Liquid Net Worth

The following clarifications with respect to liquid net worth have been approved:

a) Base minimum capital and interest free deposit deposited by the broker dealers and clearing members with Stock Exchanges and Clearing Corporations respectively shall be considered as part of liquid net worth.

b) Margins maintained by a broker dealer / clearing member with respect to its activities on the stock exchanges in IFSC / Global Access shall be considered as part of liquid net worth.

c) While computing "net worth" of an entity, liabilities are not considered as per definition of "net worth" provided in the CMI Regulations and accordingly any liability shall be excluded for the purpose of computation of "liquid" net worth.

4. Net worth requirement for custodians

The minimum net worth requirement for custodian shall be USD 1 million. Existing custodians shall be granted time till June 30, 2026 to comply with the revised norms.

5. Umbrella registration for CMIs

An entity desirous of obtaining multiple registrations under the CMI Regulations may choose to apply for a unified registration in such manner as may be specified by the IFSCA in this regard. IFSCA will be specifying detailed norms separately.

5) Amendment to IFSCA (Registration of Business) Regulations, 2021.

The Authority in its 26^{th} meeting dated 22-Dec-2025 has approved amendment to the definition of 'Lloyd's Service Company' under the IFSCA (Registration of Business) Regulations, 2021. The amendment to the definition of Lloyd's Service Company also includes service companies promoted by group entities of Managing Agents or Members of Lloyd's as may be permitted by Lloyd's. This amendment provides wider scope to Lloyd's and its Members to expand their operations that would strengthen the insurance eco-system at GIFT IFSC.

The notifications will be released in due course on www.ifsca.gov.in

December 23, 2025
Gift City, Gandhinagar

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