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GIFT IFSC NEWSLETTER

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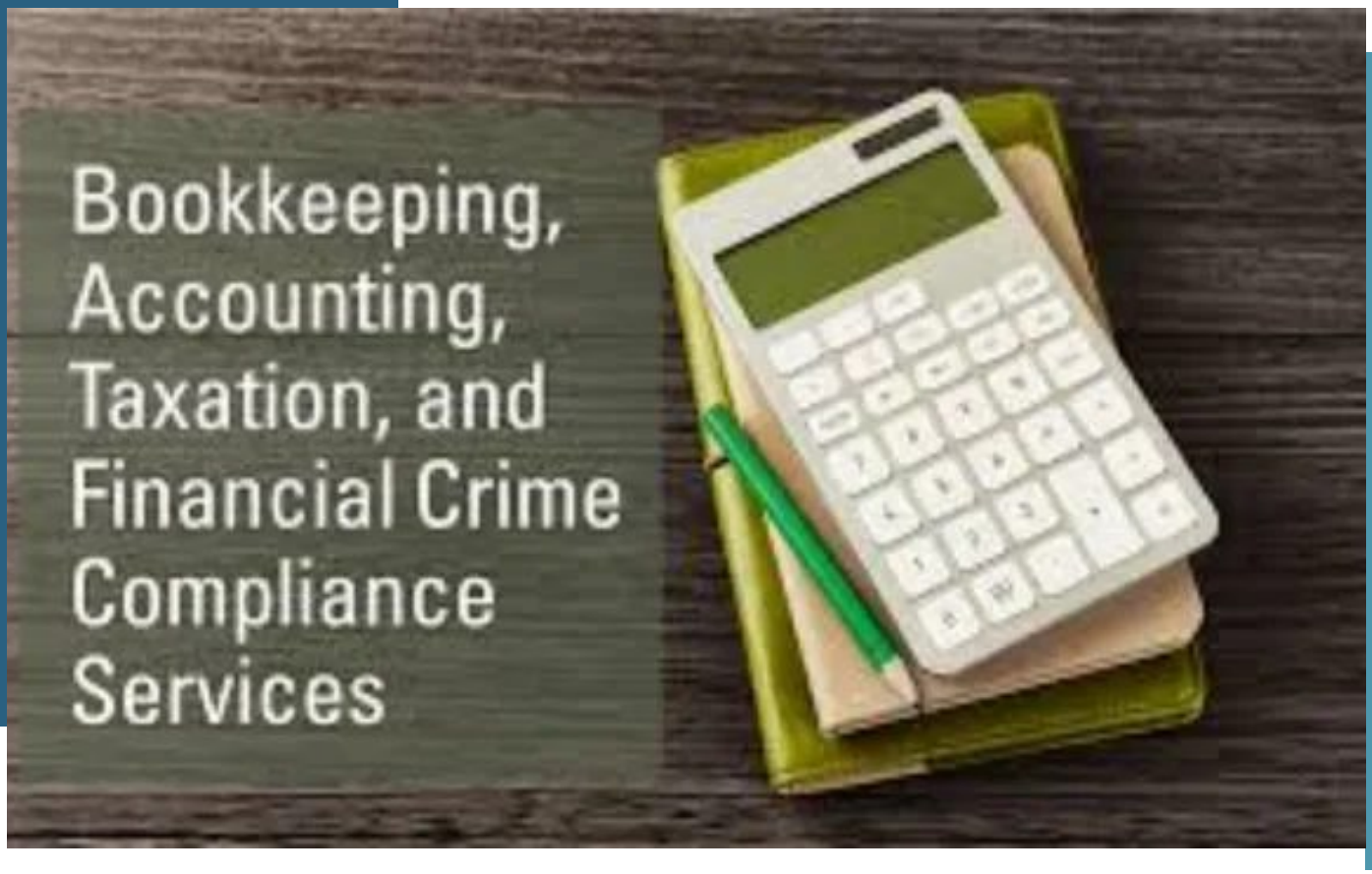
Budget 2026 Boosts GIFT City with 20-Year Tax Break for Global Investors

- The Union Budget 2026, introduced on 1st February 2026, has delivered a significant policy push for GIFT City.
- Units in IFSCs and Offshore Banking Units (OBUs) are currently eligible for a 10-year tax holiday (within 15 years for IFSC units and consecutively for OBUs). It is proposed to extend this under section 147 to 20 years (within 25 years for IFSC units and 20 consecutive years for OBUs). After the tax holiday, a concessional tax rate of 15% (instead of 22%) is proposed.
- These amendments will take effect from the 1st day of April, 2026 and shall accordingly, apply in relation to the tax year 2026-27 and subsequent tax years.
- It is proposed that deemed dividend provisions will not apply to IFSC treasury centres where



IFSCA (AML, CFT and KYC) Guidelines, 2022 – updated as on January 02, 2026

- The IFSCA to continue its steady recalibration of India's offshore financial regulatory framework with the issuance of a circular dated 2nd January 2026 introducing modifications and clarifications to the IFSCA (Anti-Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022.
- The amendments expand the scope of KYC regulations while introducing targeted exemptions and recognizing KYC Registration Agencies.
- It permits equivalent electronic documents, strengthens confidentiality in customer risk categorisation, and mandates enhanced due diligence for Indian nationals as beneficial owners, even if low-risk.
- Provisions are introduced to prevent automated KYC rejections for Persons with Disabilities. The circular also updates KYC update periodicity, clarifies STR obligations, and updates Virtual KYC (V-CIP) norms for NRIs.



IFSCA Removes Office Space Requirement for BATF Providers

- IFSCA has relaxed compliance requirements for Book-keeping, Accounting, Taxation and Financial Crime Compliance (BATF) service providers operating in IFSCs by removing the mandatory minimum office space norm.
- The change was notified on 5 January 2026 through the IFSCA (BATF Services) (Amendment) Regulations, 2026. Earlier, BATF service providers were required to maintain at least 60 sq. ft. of carpet area per employee, as prescribed under Regulation 12.
- This regulation has now been deleted from the principal regulations. Related changes have also been made to the Second Schedule to reflect this relaxation.
- The amendment, effective from the date of publication in the Official Gazette, is aimed at easing compliance and promoting operational flexibility for BATF service providers, further strengthening IFSCs as a competitive global financial hub.



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

- The IFSCA has notified the International Financial Services Centres Authority (Registration of Insurance Business) (Amendment) Regulations, 2026, dated January 5, 2026. The amendment revises the definition of Service Companies of Lloyd's IFSC in the Second Schedule to the 2021 regulations.

- Under the substituted provision, such service companies must be registered in India and may be promoted by (a) Managing Agents of Lloyd's, (b) group entities of Managing Agents or Members of Lloyd's as permitted by Lloyd's, or (c) Indian companies that meet the criteria specified under the regulations.

- By expanding and clarifying eligible promoters, the notification refines the regulatory framework for registration of insurance business linked to Lloyd's operations within IFSCs, ensuring greater clarity and flexibility for market participants.



Capital Market Intermediaries (Amendment) Regulations, 2026

- On January 12, 2026, the IFSCA notified the Capital Market Intermediaries (Amendment) Regulations 2026 in the Official Gazette. These amendments refine and strengthen the existing regulatory framework for capital market intermediaries operating in the IFSC, GIFT City.
- Eligibility norms for Principal Officers and Compliance Officers have been liberalised by recognising science, technology, engineering, and mathematics (STEM) and fintech qualifications and reducing experience requirements.
- Leadership structures for multi-activity firms have been rationalised while retaining safeguards for distribution activities.
- The changes aim to simplify compliance, broaden eligibility for key roles, rationalise registration requirements, and align regulatory standards with evolving global practices.



IFSCA Relaxes Eligibility Norms for Gold and Silver Imports via IIBX

- On 2 January 2026, the IFSCA issued a circular amending its earlier circular dated 10 October 2025 on the import of gold and silver through the India International Bullion Exchange (IIBX) by Qualified Jewellers and India–UAE CEPA TRQ holders.
- The eligibility scope has been expanded to include jewellery-exporting SEZ units and Advance Authorisation holders, and it clarifies that importing silver bars under ITC(HS) 71069221 does not require Qualified Jeweller registration.
- The circular consolidates earlier directions, prescribes detailed eligibility, net worth and turnover criteria with relaxations for SEZ units, and sets out procedures for CEPA TRQ imports, along with robust operational and AML/CFT safeguards to ensure market integrity.
- The changes are expected to widen market participation, ease compliance, and strengthen India’s bullion trading ecosystem through IIBX.



ONGC, Japan's Mitsui to set up 50:50 JVs in Gift City for Ethane transport

- Oil and gas major Oil and Natural Gas Corporation Ltd (ONGC) has entered into joint venture and capital contribution agreements with Japan's Mitsui OSK Lines Ltd (MOL) to establish two entities in GIFT City, Gandhinagar.
- Each JV will be a dedicated ship-owning entity, created specifically for International Ethane Transportation. Also, Each entity will be responsible for owning and operating one Very Large Ethane Carrier (VLEC). The jv are being created to transport liquefied thane from international markets, particularly the United States, to India.
- The project aligns with long-term national objectives of supply security, cost efficiency, and value chain integration in petrochemicals and energy infrastructure.
- A leading Japanese shipping group's choice to operate through an IFSC entity signals increasing global confidence in India's offshore regulatory and business framework.



Jio BlackRock Expands with New Funds, Enters GIFT City

- Jio BlackRock Asset Management has received approval from Securities and Exchange Board of India (SEBI) to launch new mutual fund schemes as well as Specialized Investment Funds (SIFs), marking a major expansion of its investment platform in Gift City.
- The AMC plans to roll out SIFs within the next two months. In parallel, the firm intends to establish operations in GIFT City, strengthening its global footprint.
- The upcoming product suite will span equity, debt, hybrid funds, ETFs, and SIFs, catering to both retail and institutional investors.
- This move is expected to attract international capital, deepen the IFSC fund ecosystem, and enhance cross-border investment opportunities. The entry of a Jio–BlackRock platform adds credibility, scale, and global best practices to GIFT City.



JP Morgan UK unit to open branch in GIFT City

- A unit of JP Morgan Chase & Co. is setting up a branch in India's GIFT City, to trade equities, among other instruments, marking another major global bank expanding its footprint in India's IFSC.
- London-headquartered JPMorgan Securities Plc has received approval from the IFSCA to establish the unit at GIFT City.
- JPMorgan had earlier established a derivatives-focused unit in GIFT City in 2024, while its Indian arm opened a branch at the centre in 2022. The new facility will allow the bank to trade financial instruments for overseas clients.
- This move strengthens JPMorgan's existing presence in GIFT City and aligns with its global strategy to service international investors from competitive financial hubs.
- It also highlights GIFT City's growing appeal due to its tax incentives, liberalised regulatory framework, and ease of doing cross-border financial business



Indus Towers to Set Up GIFT City Hub to Centralise Global Expansion Plans

- Indus Towers Ltd., India's leading telecom tower firm, has announced the incorporation of a wholly owned subsidiary in GIFT City, Gujarat. This new entity will serve as an investment holding company for overseas subsidiaries and manage treasury functions.
- Additionally, it is slated to manage critical treasury operations, such as cash pooling and other financial activities permitted under the International Financial Services Centre (IFSC) framework.
- The company plans an initial cash investment of up to ₹20 crore for 100% ownership of this subsidiary.
- By using GIFT City as a global finance hub, the company aims to improve cross-border capital flows and support its broader growth strategy. The development reflects wider corporate interest in India’s first operational IFSC as a platform for efficient global financial management.

About Us



- We are a One-Stop solution offering a wide range of corporate business services to entities operating out of GIFT City IFSC and across India.
- Our customized solutions range from business set-up, accounting, audit support, tax advisory, legal advisory, secretarial, ROC compliance, SEZ compliance, IFSCA compliance support services and other business auxiliary services.
- We are registered with IFSCA as an ancillary service provider at GIFT CITY-IFSCA.
- We harness our market-leading expertise to help your vision become a thriving reality.

OUR VISION

To work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders-empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

OUR MISSION

To provide our client cost effective solution in time bound manner and offer them peace of mind by providing tailor made solutions as per their requirement.

We achieve this by standing out from the crowd and being innovative, proactive, and true to our core values while delivering the highest possible quality in everything we do.

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