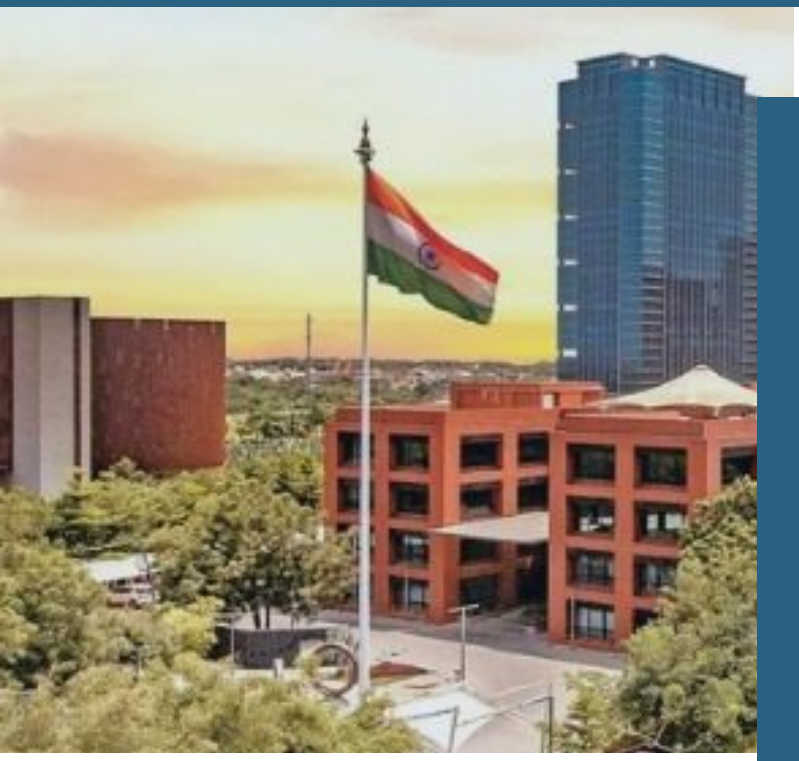
Aadidaivam International Pvt. Ltd.
CREATING IMPACT TOGETHER



GIFT IFSC NEWSLETTER

AUGUST 2026

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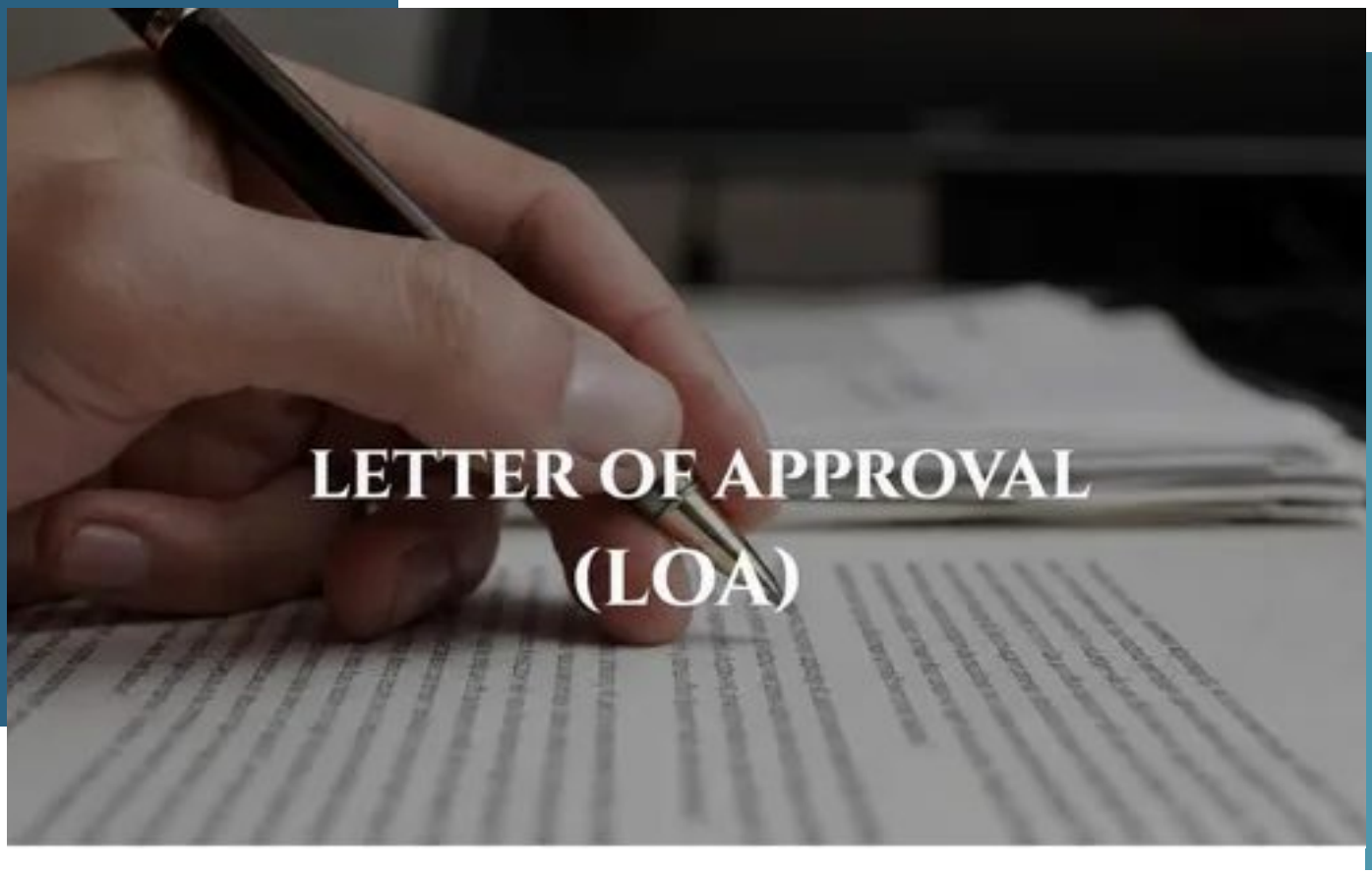
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IFSCA Mandates Continuous Validity of LoA and Regulatory Approvals for IFSC Entities

- The International Financial Services Centres Authority (IFSCA), through a circular dated August 10, 2026, directed all Regulated Entities (REs) operating in the IFSC to continuously maintain a valid and subsisting Letter of Approval (LoA) under the Special Economic Zones Act, 2005, along with the applicable regulatory instrument issued by IFSCA.
- The direction applies to regulatory instruments such as registration, licence, recognition, authorisation, permission, approval, or any other equivalent document issued by IFSCA.
- A valid LoA is required both for obtaining the relevant IFSCA regulatory approval and for carrying on permissible activities within the IFSC. Since LoAs are issued for a specified validity period, REs must ensure timely renewal in accordance with the SEZ Rules, 2006.
- REs are required to submit their LoA renewal applications at least two months before the date of expiry.
- Any non-compliance may amount to a violation of the IFSCA Act, 2019, the SEZ Act, 2005, and the rules and regulations made thereunder, and may result in appropriate regulatory, penal, or enforcement action.



IFSCA Issues SEZ Compliance FAQ Booklet 2.0 for GIFT-IFSC Units

- The Office of the Administrator (IFSCA) has issued the SEZ Compliance FAQ Booklet (Version 2.0 – August 2026), providing updated guidance on SEZ-related compliances applicable to units operating in GIFT-IFSC.
- The FAQ clarifies that every IFSC unit approved, licensed, registered or authorised by IFSCA is also an SEZ unit and must comply with the applicable provisions of the SEZ Act, 2005 and SEZ Rules, 2006.
- It reiterates that obtaining a valid Letter of Approval (LOA) is mandatory for establishing and operating an IFSC unit. The LOA is generally valid for five years from commencement of operations and must be renewed through the SEZ Online portal at least two months before expiry.
- The BLUT process has been digitalised, allowing execution through e-stamp or other electronic modes without physical submission for approval.
- The FAQ simplifies organisational changes such as changes in name, shareholding, business transfer, merger/demerger, constitution and directors. If the required IFSCA reporting is completed, separate submission to the UAC or Administrator is not required.



IFSCA Revises AML/CFT Reporting and Customer Onboarding Norms

- The IFSCA, through a circular dated August 3, 2026, amended the IFSCA (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, with the objective of strengthening the AML/CFT reporting framework applicable to regulated entities operating in the IFSC.
- The amendment incorporates Rule 8 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 into Clause 10.3 of the IFSCA Guidelines.
- The circular also revises the procedure for filing prescribed reports through the FIU-IND FINgate 2.0 portal. The updated reporting framework specifically includes Cross Border Wire Transfer Reports (CBWTRs), in addition to existing reporting requirements such as Suspicious Transaction Reports (STRs) and Non-Profit Organization Transaction Reports (NTRs).
- IFSCA has further revised certain requirements relating to the Video-based Customer Identification Process (V-CIP), particularly in relation to the onboarding of Non-Resident Indian (NRI) customers.
- The permitted jurisdictions for customer IP addresses now include the US, Japan, South Korea, UK, Canada, UAE, Singapore, Australia and the EU, excluding British Overseas Territories in the case of the UK.



IFSCA Grants Extended Timeline for ISIN Transition to December 31, 2026

- The IFSCA, through a circular dated 25 August 2026, has extended the timeline for IFSC units to obtain International Securities Identification Numbers (ISINs) from a depository recognised by IFSCA. The circular is effective immediately.
- Earlier, under its circular dated 6 February 2026, IFSCA had directed IFSC units that had already obtained ISINs from domestic depositories in India for their securities or other permitted financial products to obtain fresh ISINs from an IFSCA-recognised depository by 31 August 2026.
- Based on representations received from stakeholders, IFSCA has now revised the timelines.
- The deadline for IFSC units to obtain new ISINs from an IFSCA-recognised depository has been extended from 31 August 2026 to 31 December 2026.
- Accordingly, the deadline for the recognised depository in the IFSC to submit its compliance report to IFSCA confirming completion of the transition has been extended to 31 January 2027.



IFSCA Mandates Website / Webpage Requirements for Fund Management Entities

- The IFSCA, through a circular dated August 26, 2026, has directed all Fund Management Entities (FMEs) registered under the IFSCA (Fund Management) Regulations, 2025 to maintain a website or dedicated webpage to enhance transparency, information dissemination and investor access. The circular will come into effect from December 1, 2026.

- Authorised FMEs and Registered FMEs (Non-Retail) may maintain either an independent website or a dedicated webpage on the website of their parent/group entity. Registered FMEs (Retail) are required to maintain an independent official website dedicated to their IFSC fund management activities.

- The website/webpage must be publicly accessible without registration or login and should clearly disclose the FME's name, IFSCA registration number, IFSC activities, registered office and contact details, schemes/funds managed, service providers, investor grievance mechanism, key managerial personnel and relevant regulatory disclosures.

- Retail FMEs are additionally required to disclose scheme documents, portfolio and performance information, NAV, expense ratios, valuation policy, unclaimed amounts, Investor Charter and investor education material.



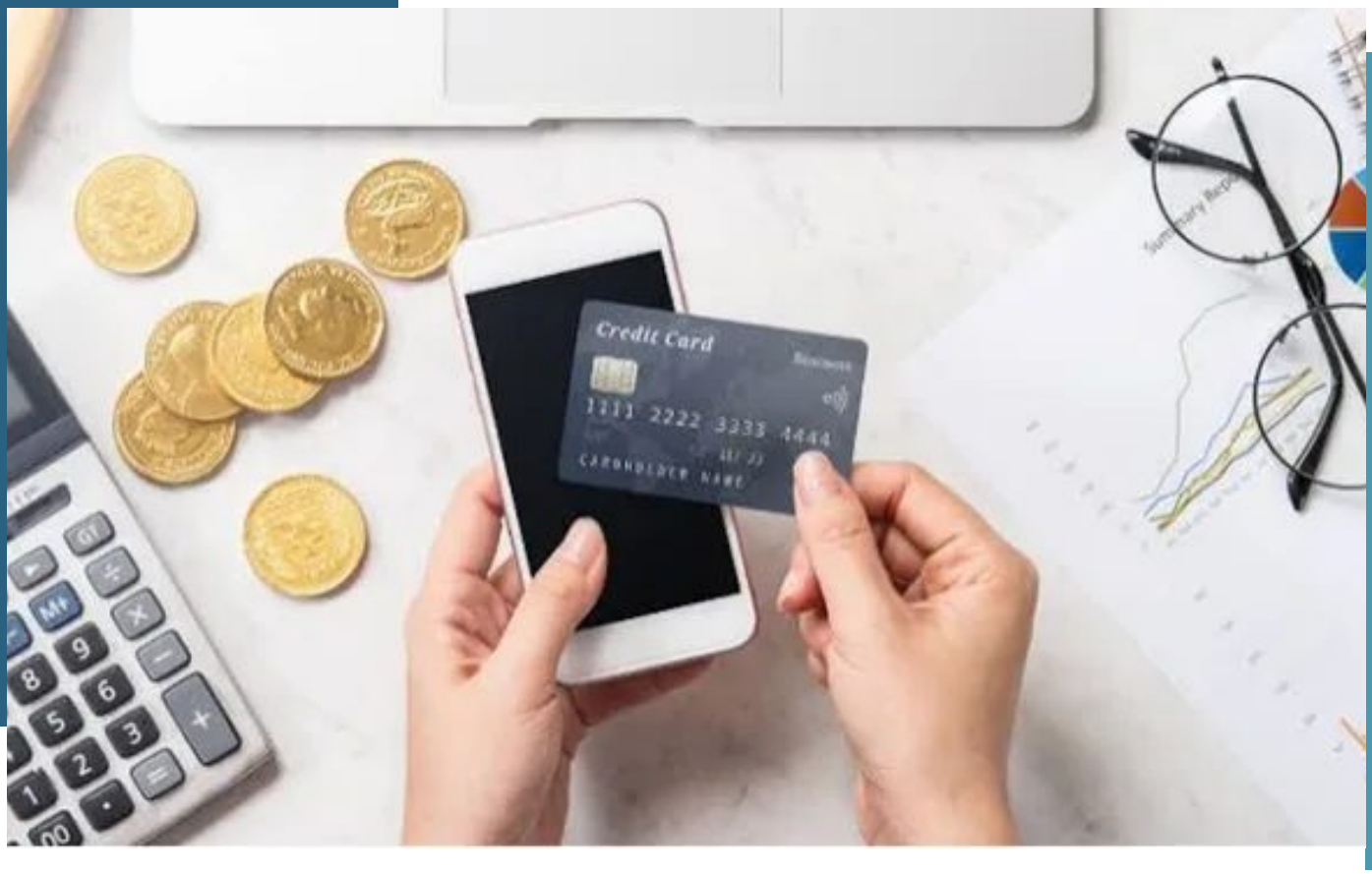
SEBI Enables KYC Information Sharing Between KRAs and IFSCA-Regulated Entities

- SEBI has issued a circular dated 20 August 2026, permitting information sharing between SEBI-registered KYC Registration Agencies (KRAs) and entities regulated by the International Financial Services Centres Authority (IFSCA). The provisions of the circular are effective immediately.

- Under Regulation 16A(1) of the SEBI KYC (Know Your Client) Registration Agency Regulations, 2011, entities regulated by financial sector regulators recognised by SEBI may access KRA systems for carrying out KYC of clients availing financial services.

- SEBI has now recognised IFSCA for this purpose, enabling IFSCA-regulated entities to access KRA systems and facilitating the exchange of KYC-related information with SEBI-registered KRAs. In terms of Regulation 16A(2), the provisions of the SEBI KRA Regulations will also apply to entities accessing a KRA system for undertaking KYC of their clients.

- Further, Foreign Portfolio Investors (FPIs) and entities accessing KRA systems are required to comply with the applicable data security requirements under SEBI's Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024, as amended from time to time.



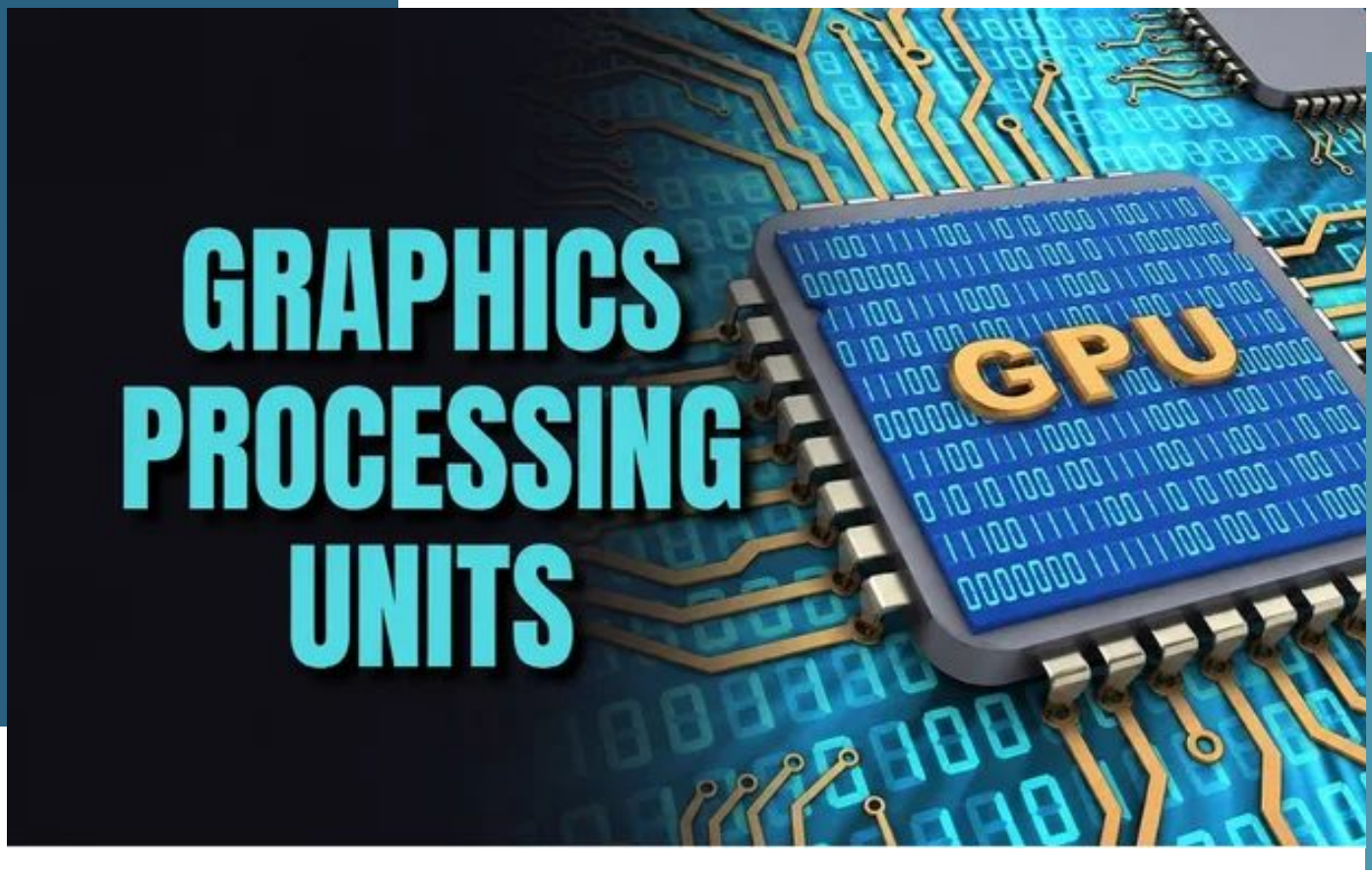
IFSCA Proposes Financial Soundness Criteria for Payment System Operators in IFSC

- The IFSCA, through a consultation paper dated August 4, 2026, proposed financial soundness criteria for existing Payment System Operators (PSOs) and applicants seeking to operate payment systems in the IFSC.
- The proposal prescribes minimum financial requirements based on the nature of the payment system. Large Value Payment Systems (LVPS) and Card Payment Networks would be required to maintain a sound financial position.
- Legal Entity Identifier (LEI) issuers would be required to maintain a minimum net worth of USD 0.2 million, while Trade Receivables Discounting System (TReDS) platforms would require a minimum net worth of USD 1 million.
- Trade Repositories would be required to maintain net worth equivalent to at least one year of their operating costs.
- Existing authorised PSOs would be required to comply with the proposed criteria within six months from issuance of the final circular, while new applicants would need to satisfy the requirements before obtaining authorisation.



GIFT IFSC Fund Management Registrations Rise Nearly Five-Fold in Four Years

- Fund management registrations at GIFT IFSC increased from 45 in March 2022 to 217 in March 2026, representing nearly a 4.8-fold increase over four years, according to data from the Union Finance Ministry.
- The number of Fund Management Entities (FMEs) rose steadily from 45 in March 2022 to 65 in March 2023, 104 in March 2024, 162 in March 2025, and 217 in March 2026.
- Overall registrations and authorisations granted by IFSCA increased significantly from 110 in March 2021 to 1,193 by March 2026, reflecting the rapid expansion of the financial services ecosystem at GIFT IFSC.
- The growth was also visible across other segments. Banking units increased from 15 to 37, while insurance entities rose from 18 to 70 between March 2021 and March 2026.
- The sharp rise in registrations highlights the continued development of GIFT IFSC as a growing international financial services hub, supported by expansion across fund management, banking, insurance, fintech and other financial services



IFSCA Proposal on GPU & Data Centre Equipment Leasing as a Financial Product

- The IFSCA has proposed a further expansion of the leasing ecosystem in GIFT IFSC by introducing the operating lease, including any hybrid of operating and financial lease, of Graphics Processing Units (GPU) and connected data centre equipment as a financial product.
- The proposal is based on the Government of India notification S.O. 5199(E) dated December 14, 2021, which permits operating leases, including hybrid structures involving operating and financial leases, of products or equipment specified by IFSCA to be treated as a financial product.
- Such leasing activities can be undertaken under the IFSCA (Finance Company) Regulations, 2021. IFSCA has previously adopted this route for equipment leasing activities involving asset classes such as aircraft, ships and oilfield equipment.
- IFSCA now proposes to extend the framework to GPU and connected data centre equipment.
- Under the proposed structure, the relevant equipment may be held by an IFSC financial institution: on an ownership basis; or under a lease-in, lease-out arrangement.



IFSCA Proposes Unified Framework for Leasing Activities in IFSC

- The IFSCA, through a consultation paper dated August 13, 2026, proposed a draft “Framework for Leasing Activity in the International Financial Services Centre”.
- The proposed framework seeks to consolidate the existing regulatory frameworks for aircraft leasing and ship leasing into a single framework, with the objective of improving ease of doing business for leasing entities in the IFSC. It also proposes to enable leasing of oilfield equipment and introduce a Special Purpose Vehicle (SPV) structure for holding specific assets as part of leasing arrangements in the IFSC.
- The framework proposes common provisions for permissible activities of lessors, along with asset-specific compliance requirements, a separate Fit and Proper framework, and governance and compliance requirements applicable to SPVs. It further proposes a consolidated list of eligible assets/equipment for leasing, which may be expanded by IFSCA in the future, and seeks to supersede certain existing subsidiary instructions.
- The consultation is based primarily on the IFSCA (Finance Company) Regulations, 2021, under which Finance Companies/Finance Units may undertake financial or operating leasing of aircraft, ships, aviation training simulation devices, oilfield equipment and other equipment permitted by IFSCA.

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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