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GIFT IFSC NEWSLETTER

MARCH 2026

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Amendment to Cyber Security Guidelines and Cyber Resilience for REs in IFSC

- The IFSCA has amended its Circular titled “Guidelines on Cyber Security and Cyber Resilience for REs in IFSCs”. Under the revised framework, certain categories of REs, including branches of regulated Indian or foreign entities, entities providing services only to group companies & entities with fewer than 10 employees, are granted a 3-year exemption from the circular’s requirements
- Entities benefiting from the exemption must adhere to several key conditions:
- The RE must adopt the cybersecurity framework and IS policy of its parent or holding company.
- The parent entity’s CISO will serve as the RE's Designated Officer.
- The parent entity (India or overseas), must be regulated by a government body.
- The Designated Officer must certify compliance with the guidelines.
- The RE must submit an annual cybersecurity audit report to IFSCA.
- The REs which are exempted for three years are foreign universities in the IFSC, newly incorporated standalone entities, and credit rating agencies.



Approval of IFSCA FinTech Sandbox Framework

- The IFSC Authority has issued a revised FinTech Sandbox Framework, superseding the 2022 framework, to facilitate innovation through Regulatory, Innovation, Inter-operable and Overseas sandboxes across financial sectors.
- The framework lays down eligibility, application, evaluation and testing conditions, including Limited Use Authorisation, regulatory relaxations and reporting requirements, to support development and testing of FinTech solutions in IFSCs.
- The updated framework provides access to multiple sandbox environments, including Regulatory Sandbox, Innovation Sandbox, Inter-Operable Regulatory Sandbox, and Overseas Regulatory Referral Mechanisms.
- These sandboxes support the testing and development of FinTech solutions across sectors like banking, capital markets, insurance, fund management, and other financial services, enabling controlled experimentation while ensuring regulatory oversight.



Corrigendum to the Fee Circular of March 02, 2026

- On March 13, 2026, the IFSCA issued a corrigendum to its circular dated March 2, 2026, regarding the fee structure for entities operating or intending to operate in IFSCs, as well as for those seeking guidance under the Informal Guidance Scheme, 2024.
- The corrigendum clarifies the language in clause 15.1, replacing the term “date of issuance” with “date of commencement” to eliminate any ambiguity about when the supersession of previous circulars takes effect. Consequently, earlier circulars from 2025 concerning fee structures and regulatory processes are now superseded starting from the commencement date of the revised circular.
- The updated fee framework continues to include various charges such as application fees, license or registration fees, recurring fees (both flat and conditional), activity-based fees, processing charges, and penalties for delayed payments or reporting defaults. It also details the payment process, refund rules, and interest charges for non-compliance.
- The new fee structure will be applicable from the financial year 2026–27 for regulated entities and applicants within IFSCs.



Amendments to Corporate Laws Enhancing Ease of Doing Business for IFSC

- On March 23, 2026, the Corporate Laws (Amendment) Bill, 2026, was introduced in the Lok Sabha, proposing targeted changes to the Companies Act, 2013 and the Limited Liability Partnership Act, 2008.
- Aimed at greater ease of doing business for corporates, the proposals are dominated by provisions to recognise LLPs operating in IFSC by allowing them to issue and maintain share capital in foreign currency as permitted by the IFSCA.
- The Bill includes provisions for allowing IFSC LLPs to issue and maintain share capital in foreign currency. A new Section 43A will require companies in IFSCs to meet specific standards for share capital issuance, account maintenance, and document filings in permitted foreign currencies.
- Additionally, it mandates that an IFSC LLP maintain a registered office within the IFSC and disclose the monetary value of each partner's contribution in a permitted foreign currency. It also enables the Central Government to prescribe foreign currency requirements for filing and registration of documents for IFSC LLPs.



IFSC banking assets surge over 7x in five years, cross USD 106 billion

- Banking assets at GIFT City's IFSC have crossed USD 106.7 billion as of February 2026, marking a more than seven-fold increase from USD 14 billion in September 2020, underscoring the rapid scale-up of India's offshore banking ecosystem, according to a statement released by GIFT city.
- The growth has been supported by a robust and expanding banking base, with 37 banks operating in GIFT IFSC, including 20 foreign banks and 17 domestic banks, establishing International Banking Units (IBUs) to service cross-border financial flows.
- GIFT City's banking ecosystem has also been strengthened by the launch of the Foreign Currency Settlement System (FCSS) in October 2025, enabling IFSC Banking Units to settle foreign currency transactions locally.
- The growth in banking assets at GIFT IFSC reflects increasing global and domestic participation in India's international financial services ecosystem. The presence of leading global banks, along with continued expansion by Indian banking players, is strengthening GIFT City's role in facilitating cross-border financial flows.



Wipro launches GIFT City hub to boost AI-led BFSI transformation

- Wipro Ltd opened a new hub at GIFT City, Gandhinagar, to boost AI solutions for global banking, financial services and insurance (BFSI) clients, focusing on digital banking and capital markets. It starts with 150 seats, expandable to 500. Shares of the company ended 2.79% lower at ₹188.87 ahead of the announcement on Thursday, March 19, 2026

- The new centre is designed to strengthen Wipro’s capabilities in delivering consulting-led, AI-first solutions to global BFSI clients.

- Aligned with its Wipro Intelligence platform suite, the hub will focus on areas such as digital banking, capital markets, regulatory technology, risk and compliance and core platform modernisation.

- The facility is also expected to enhance co-innovation with clients and support the deployment of responsible AI across critical financial workflows, the company stated in a regulatory filing. The expansion also reflects its commitment to developing local talent in Gujarat, leveraging the region’s growing technology ecosystem and talent pool.



Lloyd's of London to establish reinsurance operations in GIFT City

- UK-based insurance and reinsurance powerhouse Lloyd's of London is set to establish operations in GIFT City. The corporation will be authorised to undertake insurance and reinsurance business, with funds to be remitted from Lloyd's head office in London.
- Lloyd’s is one of the world’s most influential underwriting centres for complex risks across sectors such as shipping, aviation, energy and catastrophe insurance.
- The move to set up base in Gujarat could dramatically boost GIFT City’s access to global underwriting capital, deepen its risk-management capabilities, and signal India’s rising significance on the global reinsurance map.
- This decision aligns with the strategic objectives of Lloyd's to enhance its global operations while tapping into the rapidly developing insurance sector in India. The establishment of Lloyd's operations in GIFT City is a significant development, expected to attract further global insurance players and boost the city's standing as a key player in the global financial services industry.



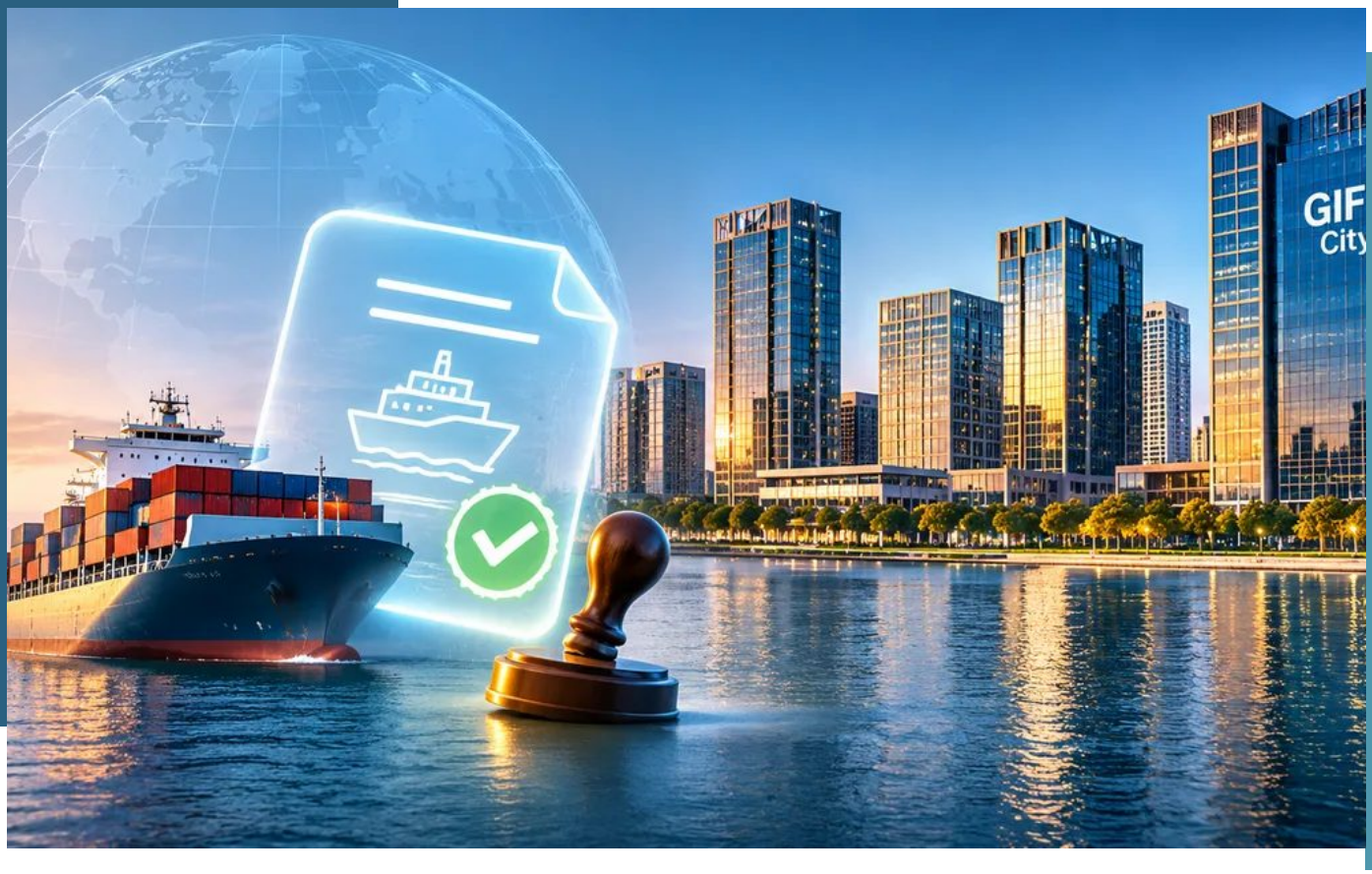
Echo Re opens first India office with GIFT City branch

- Zurich-based reinsurer Echo Reinsurance Limited (Echo Re) has received approval from the International Financial Services Centres Authority (IFSCA) of India to establish a reinsurance branch office in GIFT City, strengthening its operational capacity in one of its key markets.

- Echo Re is a wholly owned subsidiary of Germany's DEVK Group, providing P&C and specialty reinsurance to clients across Asia-Pacific, the Middle East, Africa, Latin America and the Caribbean. The establishment of Echo Re's first branch office aims to strengthen the operational capacity in one of its key markets.

- Echo Re has a more than a decade-long footprint in the Indian insurance market, during which it has progressively increased its engagement, building a very solid and well diversified treaty reinsurance portfolio across P&C and Specialty lines.

- Leveraging the local presence with the established capabilities in the Zurich-based office, the aim is to further strengthen excellent relationships by providing technical knowledge and underwriting capacity to the market



Govt Eases Licensing Norms for Foreign Ships in Gift City

- The Government of India has decided to ease licensing requirements for Indian entities chartering foreign-flagged ships for overseas operations, a move aimed at boosting maritime activity and strengthening the positioning of Gift City as a global shipping hub.

- Under the proposed reform, Indian companies will no longer be required to obtain a licence when hiring foreign ships for operations that do not involve Indian ports. The change is expected to be formalised through a gazette notification by the Ministry of Ports, Shipping and Waterways.

- The relaxation follows industry representations, particularly from entities operating out of Gujarat International Finance Tec-City (Gift City), and recommendations by the International Financial Services Centres Authority (IFSCA), which has been pushing for reforms to promote ship leasing and maritime financing from India.

- The reform is also aligned with India's broader strategy to "onshore" global maritime business, including ship leasing and financing and to attract more shipping and leasing firms to set up operations in Gift City.



Consultation Paper on Proposed Amendments to CMI Regulations for CRA

- The International Financial Services Centres Authority (IFSCA) issued a consultation paper on March 16, 2026, proposing amendments to the Capital Market Intermediaries (CMI) Regulations and Master Circular concerning credit rating agencies (CRAs).
- Based on industry representations, amendments are proposed in five key areas: withdrawal of ratings, record keeping, disclosure of private ratings, permissible activities, and dissemination of ratings.
- Key proposals include:
- CRAs may withdraw ratings based on their approved policy, not just under specific conditions with a press release.
- CRAs must keep detailed, retrievable records of the rating process for a specified period.
- Public disclosure of private ratings will no longer be mandatory.
- Issuer-level ratings will be allowed for CRAs registered with IFSCA.
- CRAs must provide issuers with rating information and allow corrections before publication.



Consultation Paper on draft guidelines for capital relief & prudential requirements for factoring transactions by FC/FU

- The IFSCA released a Public Consultation on March 11, 2026, regarding draft guidelines for capital relief and prudential requirements related to factoring transactions for Finance Companies (FCs) and Finance Units (FUs) in IFSCs.

- IFSCA has introduced new guidelines that provide capital relief for factoring transactions conducted by FCs and FUs within IFSCs. The calculation of regulatory capital for these entities is currently governed by the "Computation of Regulatory Capital" circular from April 26, 2021, which follows the Basel III framework and Basel principles on risk-weighted assets.

- The proposed guidelines focus on recognizing credit risk mitigation techniques for factoring transactions, allowing institutions to obtain capital relief under specific conditions. These guidelines align with global best practices and Basel III standards, recognizing credit risk mitigation arrangements from entities like the Factors Chain International (FCI) network and similar organizations.

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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