



International Financial Services  
Centres Authority (IFSCA)



सत्यमेव जयते  
Government Of India

# Navigating Fund Management at GIFT IFSC: Insights, Innovations, and Impact

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**International Financial Services Centre, GIFT City**  
Ministry of Finance, Government of India  
Gandhinagar, Gujarat, India



# Agenda for Discussion

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## 1. Status Update on Fund Management Industry in IFSC

- Highlights of activities
- Major policy developments

## 2. Recent review of Fund Management Regulations

- Non-Retail Schemes
- Retail Schemes
- Manpower Requirements
- Other areas



# Status Update – Fund Management in IFSC

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# Highlights of Fund Management Industry at IFSC (1/2)



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**139**

Number of IFSCA Registered FME as on **December 31, 2024**



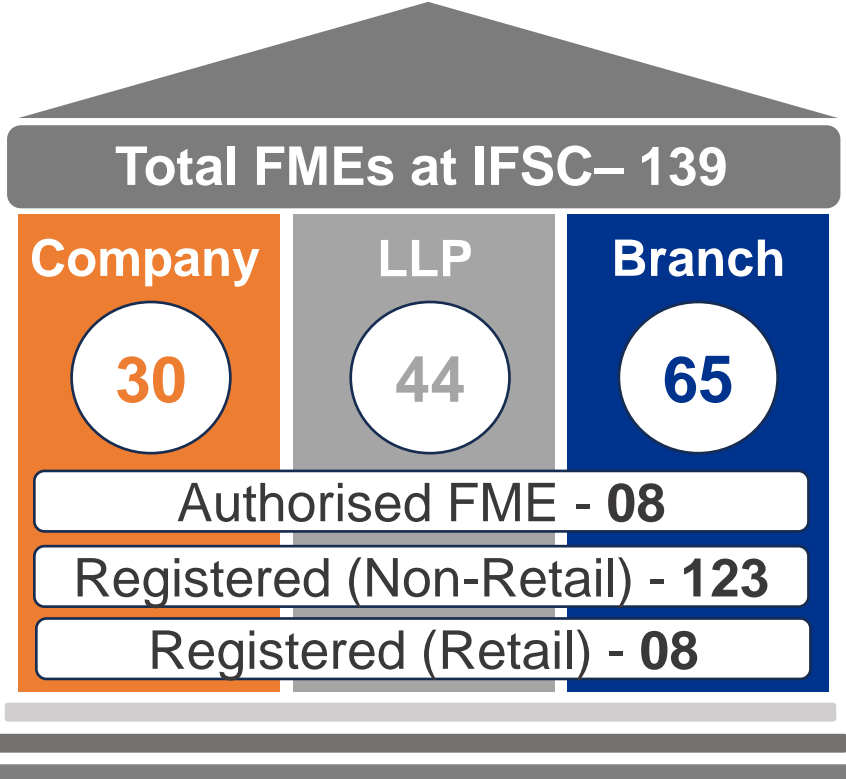
**198**

Number of Schemes set up in IFSC as on **December 31, 2024**



**2004**

Investors across the jurisdictions have invested in Non-Retail Schemes at IFSC as on **September 30, 2024**



**11**

**Angel & Venture Capital Scheme**

**73**

**Category I & Category II AIF**

**114**

**Category III AIF**



**58**  
**Investor Jurisdictions**



**100**  
**Investors under PMS**

# Highlights of Fund Management Industry at IFSC (2/2)



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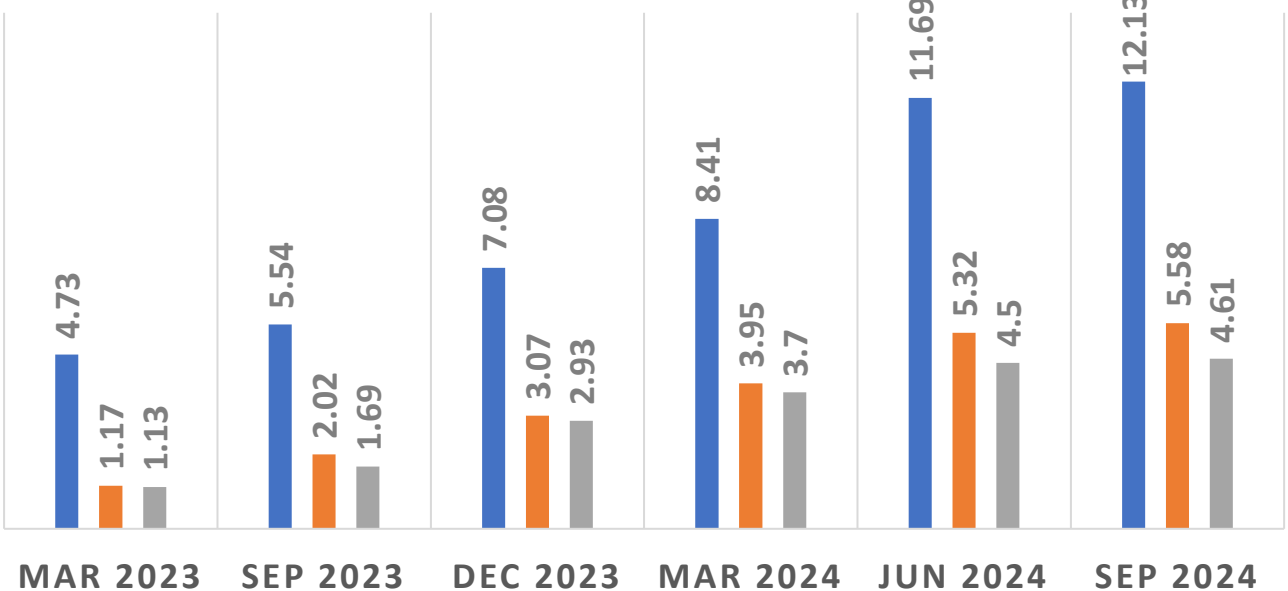
19

Jurisdictions of investments  
India leading at ~93%

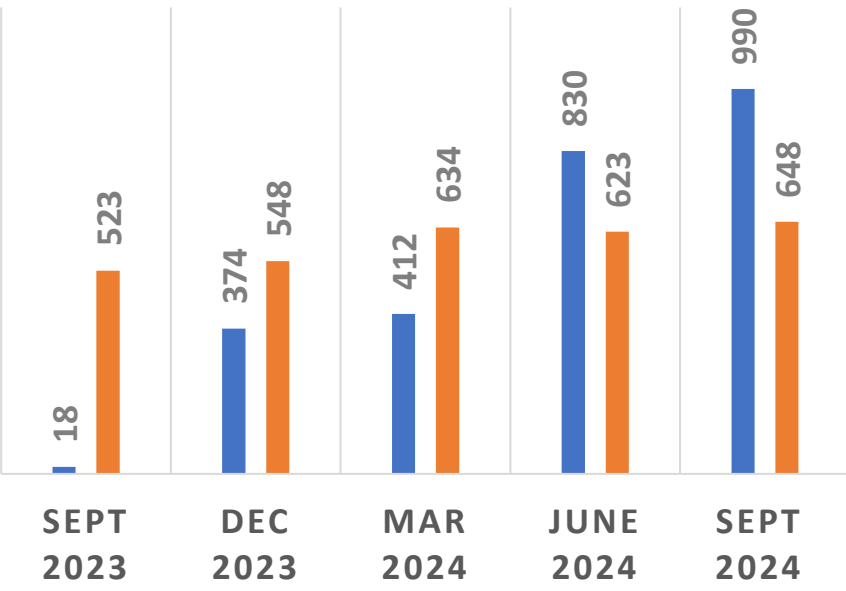


20

FMEs offering PMS



■ Cumulative commitments (\$ Bn)   ■ Cumulative funds raised (\$ Bn)  
■ Cumulative Investments (\$ Bn)



■ Discretionary & Non-Discretionary Services (\$ Mn)  
■ Advisory Services (\$ Mn)



# Participation of Foreign Managers and Relocated Schemes



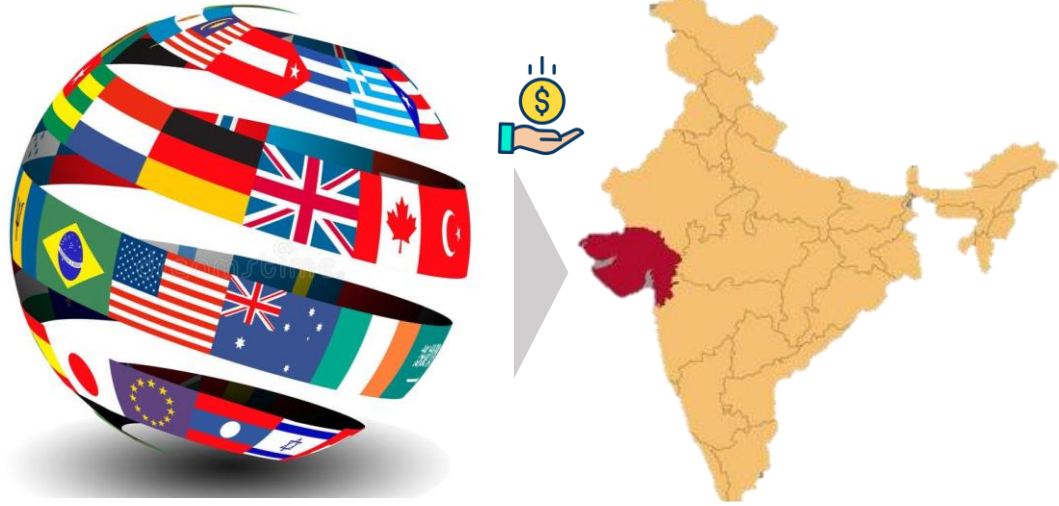
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## Foreign Fund Managers at IFSC



*Many more under discussions...*

## Relocation of Schemes to IFSC



**No. of Relocated Schemes – 13**  
(as on September 30, 2024)

Cumulative Commitments	\$2,872 mn
Cumulative Fund Raised	\$1,434 mn
Cumulative Investments	\$1,254 mn

# Major Policy Developments



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## Tax treatment for Retail Schemes

- Hon. Finance Minister during Union Budget in July 2024, announced tax regime for Retail Schemes and ETFs set up in IFSC.
- Retail Schemes & ETFs will be taxed similar to Category III AIFs.

## Amendments to FPI Regulations

- SEBI FPI Regulations amended to allow up to 100% contribution from NRIs & OCIs in IFSC funds, subject to certain conditions.
- Expected to boost IFSC's position as a seamless conduit for channeling diaspora's investments into Indian markets.

## Variable Capital Company

- Hon. Finance Minister during Union Budget in July 2024, announced VCC structure.
- IFSCA from time to time has been providing inputs to DEA



# Recent review of Fund Management Regulations

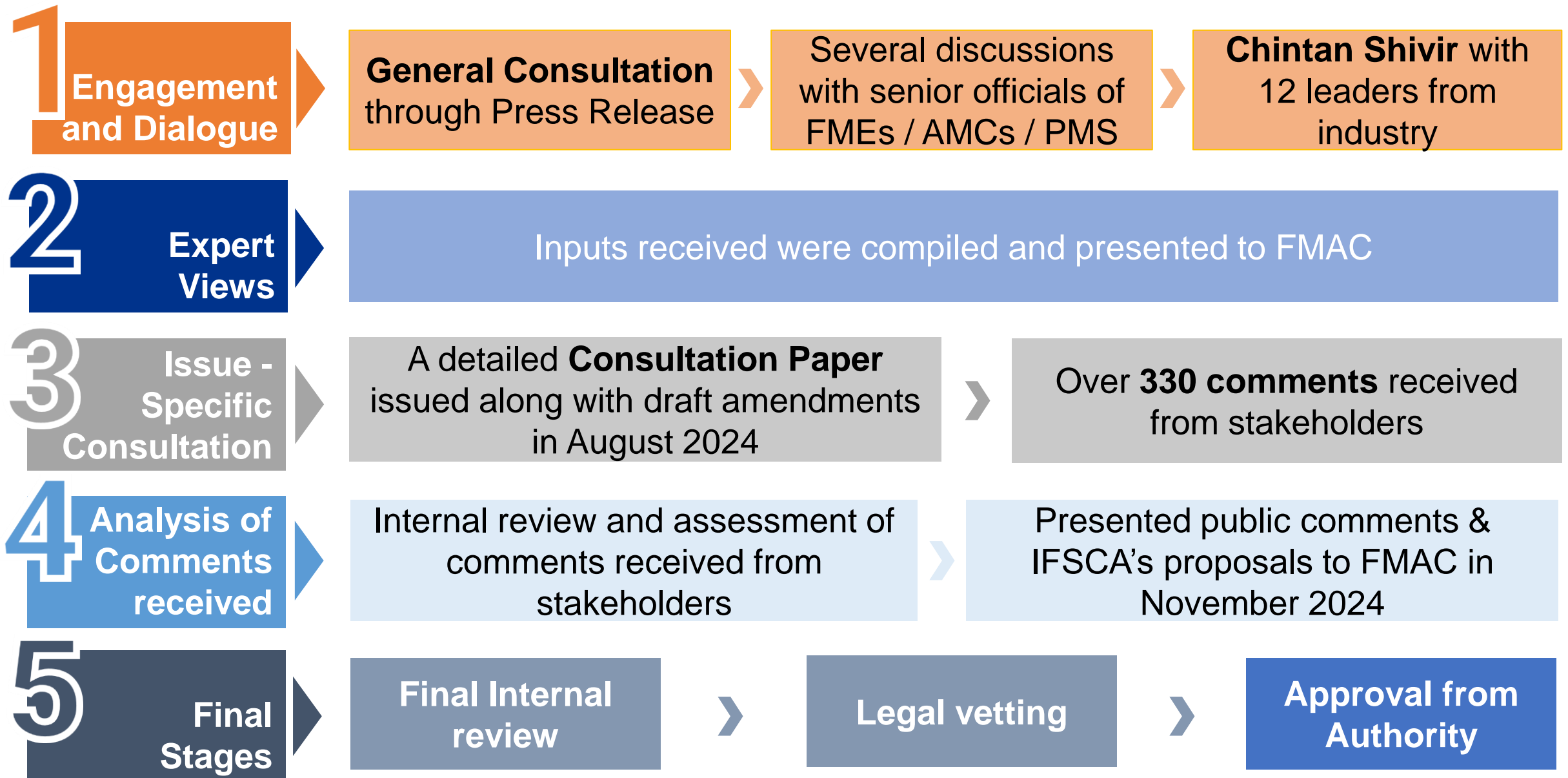
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# Public Consultation Process



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# 1. Non-Retail Schemes (AIFs)

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# Non-Retail Schemes



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## Filing & Scheme Launch

1. Green channel for all schemes
2. Validity of PPM – **12 months**
3. Validity Extension - Add. 6 months
4. Minimum corpus - **\$ 3 mn**
5. Open-ended scheme – start with **\$1mn** and achieve \$3mn in 12 months

## Categorization of Schemes

**Clarity** on categorization of Restricted Schemes into Cat I, II & III AIFs

## Joint Investments

Joint Investments permitted with select relations

## Waiver from 10% ceiling on FME cont.

1. FME/Associate/UBO - Person not resident in India
2. Investment of  $\leq 1/3$ rd corpus in 1 company & its associates

## Valuation

**Exempted for FoF**, if master fund is independently valued

## Transfer of Securities

To / from associates / other schemes of FME or associates / major investors - with approval from 75% investors by value (excl. major investor)

## 2. Retail Schemes

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# Registered FME (Retail) and Retail Schemes



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Track record for Registered FME (Retail)	<i>Alternative 1</i> Experience of FME / holding company / <b>their subsidiaries</b> will be considered in managing USD 200 mn and 25,000 investors.	<i>Alternative 2</i> Person(s) with controlling interest and min. 5 yrs. of exp. in managing 1,000 investors & 50 mn. • Net worth of \$2 million
Launch of Retail Scheme	<ol style="list-style-type: none"> <li>1. Minimum corpus - <b>\$3 mn</b></li> <li>3. Validity Extension - Add. 6 months</li> </ol>	<ol style="list-style-type: none"> <li>2. Open-ended scheme – start with <b>\$1mn</b> and reach \$3mn in 12 months</li> </ol>
Valuation	<b>Exempted for FoF</b> , if master fund is independently valued	
Listing of Closed-ended schemes	<ol style="list-style-type: none"> <li>1. Mandatory – if minimum ticket size is less than \$10,000</li> <li>2. <b>Optional</b> – if minimum ticket size is at least \$10,000</li> </ol>	
Clarity on prudential norms	<ol style="list-style-type: none"> <li>1. Clarity for sectoral / thematic / index schemes</li> <li>2. Clarity for investments by FoFs</li> </ol>	



# 3. Manpower Requirements

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# KMP Appointment & Eligibility Criteria



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## Simplification of KMP approval

1. Requirement dispensed for IFSCA's approval for KMP appointment / change
2. Only intimation of KMP appointment / change to IFSCA

## Widened Educational Qualifications

1. PG degree / Diploma of a period of min. **1 year** or **CFA or FRM**
2. Professional Qualifications defined - **CA, CS, CMA and LLB (only for CO)**.
3. Graduate degree for **highly experienced PO** (15+ yrs.)

## Widened areas of experience

1. Prior experience in a **wide variety of relevant areas** - Fund Manager, IA, IB, CRA, MII, Regulators, etc.
2. Also permitted relevant **consulting experience** (up to **2 yrs.**)

## Certification

Enabling provision inserted for employees of FME

## Rationalization of Work Ex. for CO

1. **Reduced** req. of 3 yrs. of experience in compliance / risk management in-
  - i. entity regulated by financial sector regulator, or
  - ii. in a listed company

## Additional KMP

1. Retail FME – Before filing of Retail Scheme / ETF
2. All FMEs – if AuM > \$1bn at the end of FY (excl. FoFs), app. within 6 months

## 4. Other Areas

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# Other Areas



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## Portfolio Management Services (PMS)

1. Minimum amount reduced from \$150,000 to **\$75,000**
2. Clients may maintain funds in **brokerage account**

## Fit & Proper criteria

- Streamlining** of disqualification criteria, such as –
- Rationalized period of disqualification in case of a debarment order,
  - Charge sheet by Indian agencies / charges framed by a court

## Appointment of Custodian

1. Custodian in IFSC; **Transition period** of 12 months for existing schemes;
2. If investee jurisdiction mandates local custodian, arrangement to provide information to IFSCA
- 3. Exemption to FoFs** if master fund has appointed independent custodian

## Representative or Branch Offices

1. Only **intimation** to IFSCA, No approval required
2. Permitted only for marketing their offerings and client service



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