**IFSCA Circular: Framework for FinTech Entity in GIFT IFSC**

**Circular**:F. No. 521/IFSCA/FinTech/FE Framework/2022-23

**Issued on**: 27 April,2022

**Applicability**: All eligible Domestic or Foreign entities, desirous of obtaining authorization as FinTech Entity (FE) from International Financial Services Centres Authority (IFSCA), for participating in or undertaking one or more of the Permissible Activities.

**Brief**: This framework is divided into three broad areas :

1. Chapter I - Authorization: An applicant may apply in form given in Annexure-II for obtaining Direct Authorization from IFSCA to:
2. Provide a financial technology (FinTech) solution resulting in new business models, applications, process, or products in financial services regulated by IFSCA. The permissible FinTech areas/activities linked to financial services include services of Banking Sector, Capital Markets & Funds Management, and Insurance sector. An illustrative list is given in Annexure-I.
3. Provide an advanced or emerging technology solution in allied areas/activities which aid and assist activities in relation to financial products, financial services and financial institutions (TechFin). It includes activities such as (a) AgriTech, (b) Accelerators  (c) Climate/Green/Sustainable Tech  (d) Defence Tech (e) Regulatory Tech, (f) Space Tech, (g) Supervisory Tech, (h) Technology solution supporting Digital banking, (i)Technology solution aiding Trade Finance (j) Solutions/services for BFSI domain. An illustrative list is given in Annexure-I.
4. Chapter II - Sandbox: This Sandbox has been provided to enable Applicants to apply:
5. To test FinTech ideas or solutions under FinTech Regulatory Sandbox to obtain “Limited Use Authorization” as a “FinTech Entity (FE)” from IFSCA. The applicant will then proceed towards “Testing Stage” for a maximum of 12 months. Upon successful completion of testing stage, IFSCA will decide whether it is to be permitted in market. the entity may exit or continue in Sandbox, and accordingly, entity may exit or continue in sandbox. If permitted to be introduced in market, the entity may either carry out a regulated businesses based under various IFSCA regulations, or be authorised to conduct business and shall be authorised to operate as “FinTech Entity”.
6. Develop and test FinTech ideas or solutions under IFSCA FinTech Innovation Sandbox (FIS) to obtain “Limited Use Authorization” as a “FinTech Entity” from IFSCA. Upon successful exit from the FIS, the applicant shall be eligible to apply for IFSCA FinTech Regulatory Sandbox.
7. Test FinTech ideas or solutions under Inter- Operable Regulatory Sandbox (IoRS);
8. Provide FinTech ideas or solutions in the Overseas Regulatory Referral mechanism/FinTech Bridge offered by IFSCA.
9. Chapter III - Miscellaneous: It states about fees payable and power of IFSCA to remove difficulties, specify procedures and issue clarifications.

**Please refer to the IFSCA Circular for further details regarding Framework for FinTech Entity in the International Financial Services Centres (IFSCs)**