



# **GIFT City**

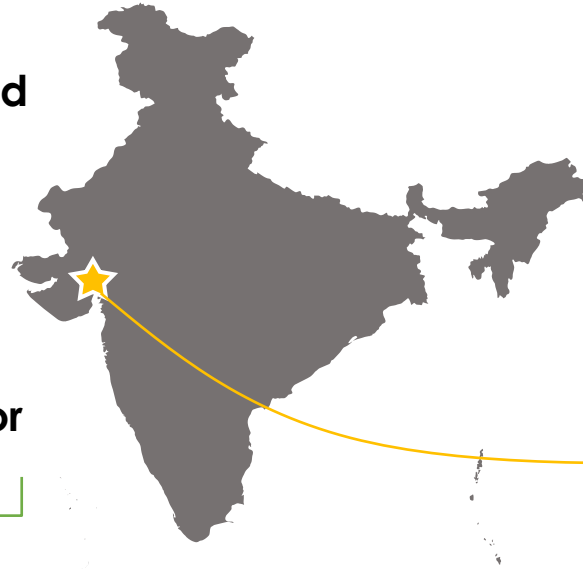
## **The International Financial Gateway of India**

# About GIFT City

**A Greenfield Smart City developed on 886 Acres of land**

**Developed by Government of Gujarat and supported by Govt. of India**

**The financial gateway of India for inbound & outbound investment**



**Ranked 1st in the September 2021 report by the Global Financial Centres Index, London as one of the IFSC which could become more significant in next few years**

**Government of India operationalized GIFT City as an IFSC in 2015**



## **Global Benchmarking**

At par with other global financial Centres



## **Integrated Development**

62 Million Sq. Feet of office, residential and social space



## **Strong Promoters**

Govt. of Gujarat initiative supported by Govt. of India



## **Central Business Hub**

High-Rise district with Vertical development



## **India's 1st IFSC**

India's first operational IFSC notified by Gov. of India.



## **State of the Art Infrastructure**

Next generation urban planning and ICT infrastructure



## **Strategic Location**

Between Ahmedabad and Gandhinagar with Airport Connectivity

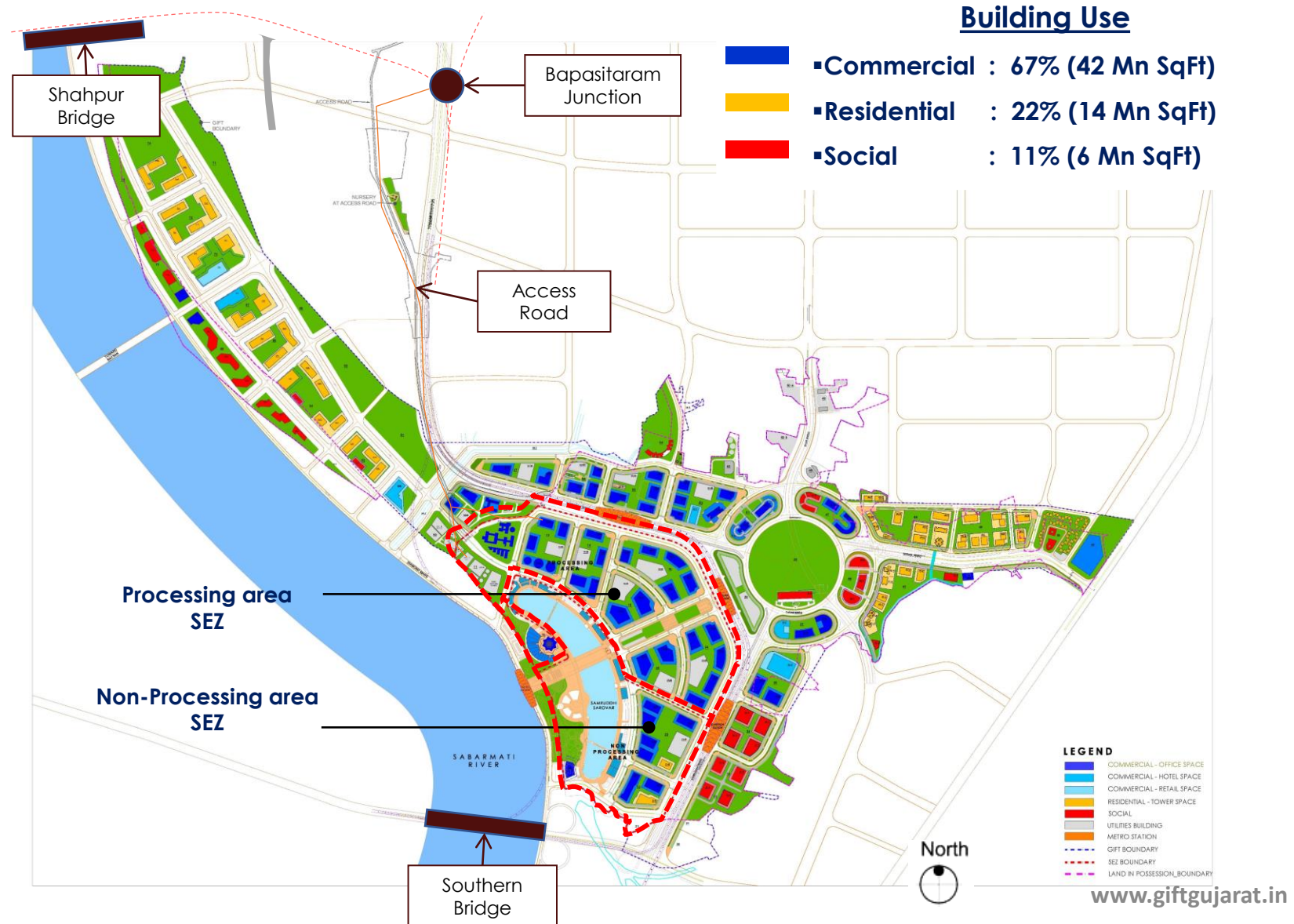


## **Ease of Doing business**

Conducive regulatory environment



# GIFT City: Master Plan



# GIFT City – Infrastructure Development





Water Treatment Plant



District Colling Plant



Utility Tunnel



Automated Waste Collection & Segregation Plant





# City Command and Control Centre (C4)





# Roads and Streetlighting





# India's First Smart City



सत्यमेव जयते

Ministry of Urban Development  
Government of India



Smart City  
MISSION TRANSFORMATION

## Mission Statement & Guidelines

5.1.3 **Greenfield** development will introduce most of the Smart Solutions in a previously vacant area (more than 250 acres) using innovative planning, plan financing and plan implementation tools (e.g. land pooling/ land reconstitution) with provision for affordable housing, especially for the poor. Greenfield developments are required around cities in order to address the needs of the expanding population. One well known example is the GIFT City in Gujarat. Unlike retrofitting and redevelopment, greenfield developments could be located either within the limits of the ULB or within the limits of the local Urban Development Authority (UDA).

Considering the development of infrastructure, Ministry of Urban Development, Government of India has recognized GIFT City as a model Smart City in the Greenfield development category in the Smart City Mission Statement and Guidelines.



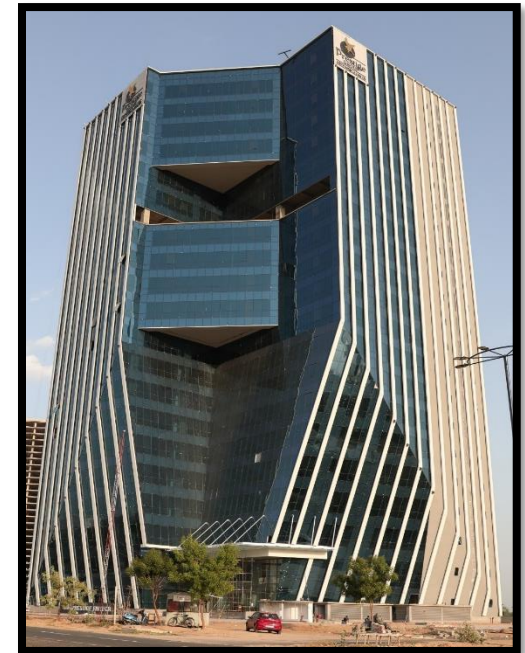
# Operational buildings in Domestic Area



**GIFT One Tower**



**GIFT Two Tower**

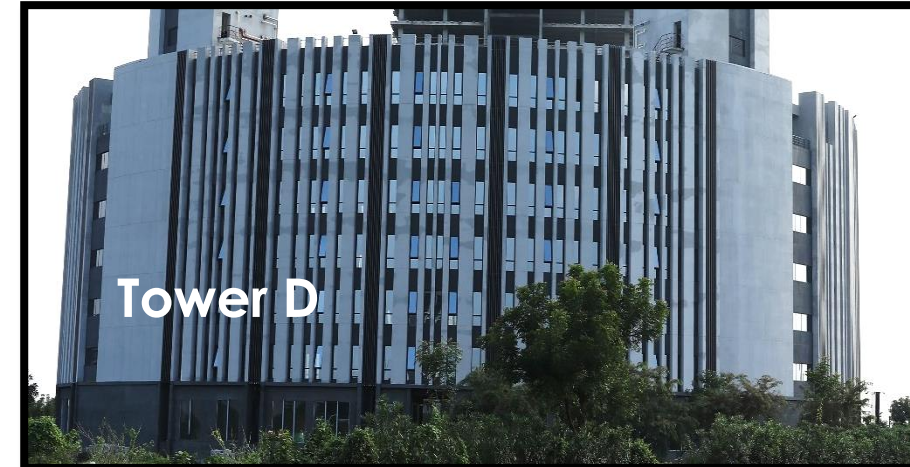
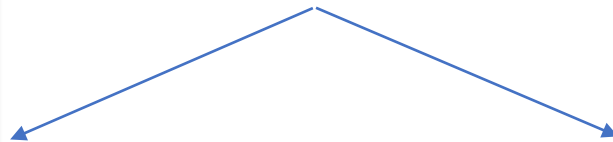


**Prestige Tower**



**Tower A**

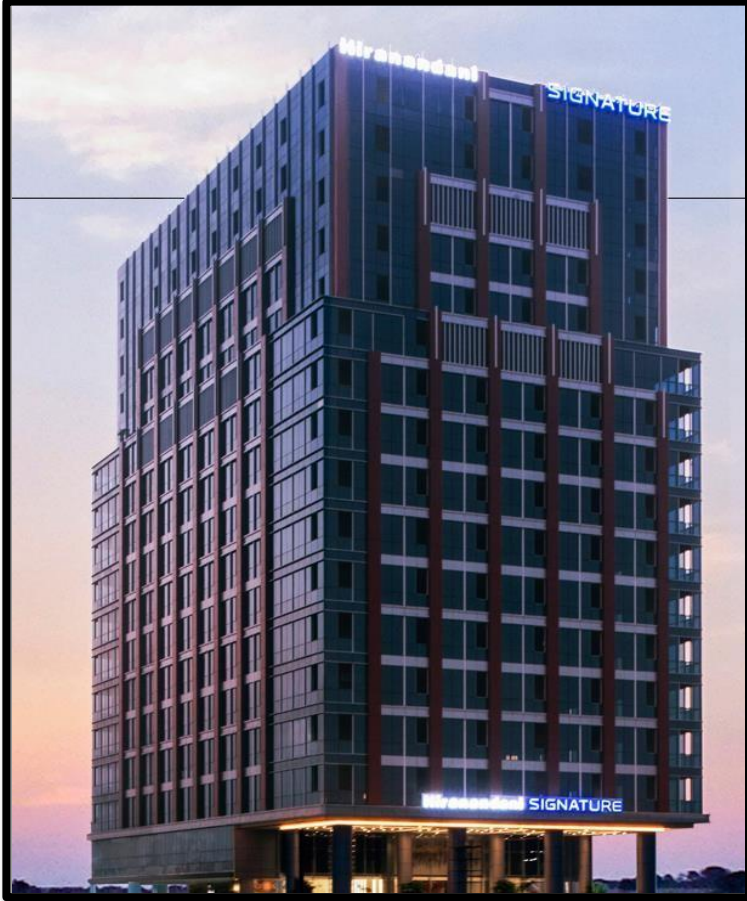
**World Trade Centre**



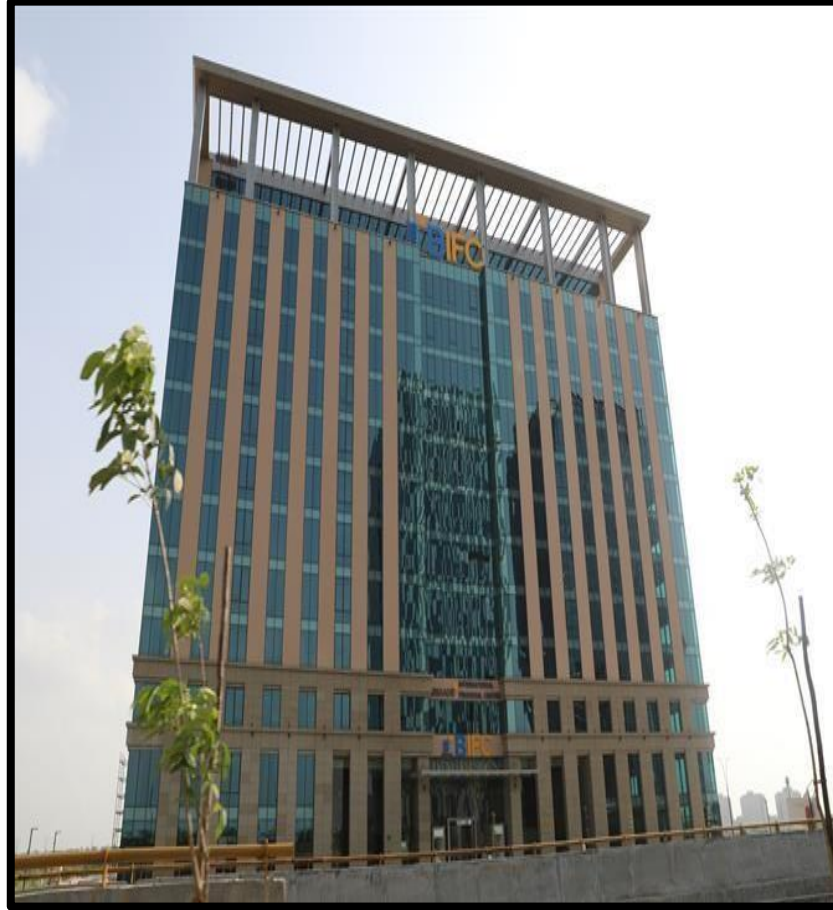
**Tower D**



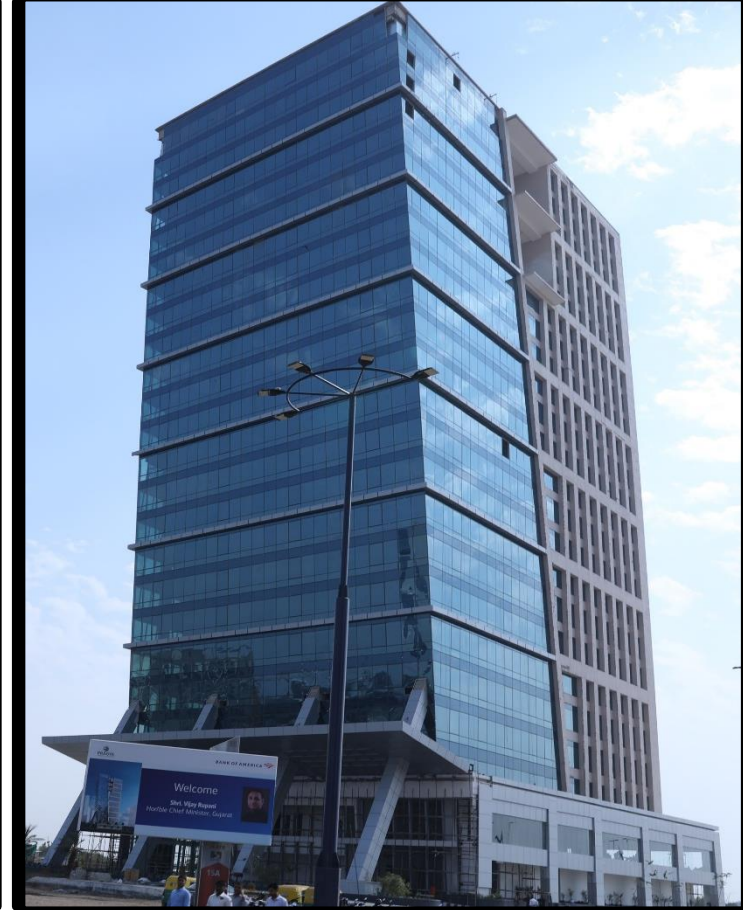
# Commercial developments in GIFT SEZ - IFSC



**Signature Tower by  
Hiranandani Group**



**Brigade Tower**



**Pragya Tower  
Savvy – ATS JV**



# Social Facilities at GIFT City



Brigade Group Hotel - 150 Rooms



GIFT City Business Club



Residential

**Central Park is being developed  
under 28 acres of land**



Jamnabai Narsee School  
ICSE Board - 1500 students





# INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC)



# Vision for GIFT IFSC



- ❑ “To enable Indian firms to compete on an equal footing with offshore financial centres”
- ❑ “Regulations comparable to any other leading international finance centres”
- ❑ “To become price setter for at least few of the largest traded financial instruments in the world (commodities, currencies, equities....)”
- ❑ “Companies from Asia, Africa and Europe should be able to raise funds from IFSC”

**Hon’ble Prime Minister of India**

January 2017



# International Financial Services Centre at GIFT City

## IFSC in India

- In India, an IFSC is approved and regulated by the Government of India under the Special Economic Zones Act, 2005
- Government of India has approved GIFT City as a Multi Services Special Economic Zone ('GIFT SEZ') and has also notified this zone as India's IFSC
- The launch of the IFSC at GIFT City is the first step towards bringing financial services transactions relatable to India, back to Indian shores
- IFSC unit is treated as a non-resident under extant Foreign Exchange Management regulations

## Key activities in IFSC

Capital Markets	Offshore Banking	Offshore Insurance	Offshore Asset Management	Ancillary Services
<ul style="list-style-type: none"> <li>• Stock Exchanges</li> <li>• Trading members</li> <li>• Segregated Nominee Account Providers</li> <li>• Clearing Corporations, Depositories, other intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Banking</li> <li>• ECB Lending</li> <li>• Servicing JV/WOS of Indian companies registered abroad</li> <li>• Factoring/ Forfaiting of export receivables</li> </ul>	<ul style="list-style-type: none"> <li>• General / Life Insurance</li> <li>• Co-Insurance</li> <li>• Reinsurance</li> <li>• Captive Insurance etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative Investment Funds</li> <li>• Mutual Funds</li> <li>• Portfolio Management Services</li> <li>• Investment Advisors</li> </ul>	<ul style="list-style-type: none"> <li>• Legal, Accounting &amp; Audit</li> <li>• Research &amp; Analytics etc.</li> <li>• Fund Accounting</li> <li>• Risk Management etc.</li> </ul>



# IFSC Ecosystem and Business growth

Sr No	Participants	Key business activities and features	Volume and No. of players
1	International Stock exchanges	<ul style="list-style-type: none"> <li>Dollar denominated products</li> <li>No transaction cost (other than brokerage)</li> <li>Trading - 22 hours</li> </ul>	<ul style="list-style-type: none"> <li>India INX and NSE IFSC stock exchange</li> <li>Avg. Daily volume crossed USD 14 Bn+</li> </ul>
2	IFSC Banking units	<ul style="list-style-type: none"> <li>External Commercial Borrowing (ECB) Lending</li> <li>Loan syndication and trade finance</li> </ul>	<ul style="list-style-type: none"> <li>22 IBUs</li> <li>Business Transaction- USD 135 Bn+</li> <li>Total Banking Asset size : USD 33 BN+</li> </ul>
3	Brokers & Intermediaries	<ul style="list-style-type: none"> <li>Broking services</li> <li>Proprietary trading</li> </ul>	<ul style="list-style-type: none"> <li>50+ brokers, Depository</li> <li>Clearing corporations, Custodian</li> </ul>
4	Insurers & Intermediaries	<ul style="list-style-type: none"> <li>Non-life, Reinsurance business</li> <li>Insurance intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>24 Companies</li> <li>Sum insured - USD 30 Bn+</li> </ul>
5	Ancillary service providers	<ul style="list-style-type: none"> <li>Legal &amp; consultancy firm</li> <li>IT companies</li> </ul>	<ul style="list-style-type: none"> <li>50+ entities</li> </ul>

**Dispute resolution -**  
Singapore International  
Arbitration Centre (SIAC)

Connectivity - 20 min.  
from Ahmedabad Airport, well  
connected thru public  
transport

Social amenities –  
Business club, school, hotels,  
residential apartments, etc.

~16000 employees in  
GIFT City



# Insurance Business in GIFT IFSC

# Insurer and Re-insurer - Eligibility criteria (1/2)

## Eligible applicants for setting up an IFSC Insurance Office ('IIO')

- Insurer registered with the IRDAI
- Foreign Insurer or Foreign Re-insurer;
- Society of Lloyd's on behalf of Members of Lloyd's;
- Branch Office of foreign insurer or Lloyd's India registered by the IRDAI;
- Public company or WoS of an insurer or re-insurer registered under the Companies Act, 2013;
- Registered Insurance co-operative society under the Co-operative Societies Act, 1912, or Multi-State Cooperative Societies Act, 1984.
- Body corporate incorporated outside India (not being of the nature of a private company)
- Managing General Agent having a valid binding agreement with a Foreign Insurer or Foreign Re-insurer.

## Eligibility conditions

- Applicant and its promoters, partners or controlling shareholders to be from a FATF compliant jurisdiction.
- Applicant, its promoters, principal Officer, directors, partners, designated Partners or key managerial personnel are fit and proper persons
- The Indian/ Foreign insurer or reinsurer, Branch Office of foreign insurer or Lloyd's India registered with IRDAI shall satisfy the additional eligibility conditions (refer subsequent slide)
- A Body corporate incorporated outside India, not being a private company, shall meet with the certain requirements.
  - It establishes its place of business in an IFSC, under the provisions of the Companies Act, 2013; and
  - It is registered or certified in a national regulatory environment with whom the Government of India has signed Double Taxation Avoidance Agreement ('DTAA')



# Insurer and Re-insurer - Eligibility criteria (2/2)

## Eligible applicants for setting up an IFSC Insurance Office ('IIO')



### Indian Insurer or Re-insurer

- Duly registered with IRDAI for undertaking the business of insurance or re-insurance;
- Obtain NOC from the IRDAI to set up place of business in an IFSC;
- Submit reporting structure of the officials
- Satisfactory track record in respect of regulatory and supervisory compliances;
- Shall undertake to meet all liabilities arising out of IIOs business;
- Undertake to comply with assigned capital, solvency and other specified requirements



### Foreign Insurer or Re-insurer

- Registered or licensed for transacting in its home country or country of incorporation
- Granted a NOC by the home country regulatory or supervisory authority to set up an IIO
- Undertake to comply with assigned capital, solvency and other specified requirements and undertake to meet all liabilities arising out of IIO's business;
- Have satisfactory track record in respect of regulatory and supervisory compliances;
- Registered or certified in a national regulatory environment with whom the government of India has signed DTAA;
- Submit reporting structure of the officials
- Have at least good financial security credit rating from internationally renowned credit rating agency for last 3 years.



### Branch Office of foreign insurer or Lloyd's India registered by the IRDAI

- Granted a NOC by the home country regulatory or supervisory authority to set up an IIO in India;
- Undertake to comply with assigned capital, solvency and other specified requirements
- Shall undertake meet all liabilities arising out of business undertaken by the IIO;
- Submit reporting structure of the officials.

# Permissible Activities



## Direct Insurance

- Offshore direct insurance business including Direct insurance business from global subsidiaries of Indian conglomerate companies / individuals present in any offshore location



Life Insurance Business



General Insurance Business



Health Insurance Business



Reinsurance Business



## Reinsurance

- Offshore reinsurance business of cedents/ insurers present in any offshore location
- Reinsurance business of the cedents in the IFSC
- Reinsurance business emanating from India subject to IRDA regulations on reinsurance prescribed in India

## Time Limit to Commence Business

- An IIO shall commence business within 12 months from the date of grant of certificate of registration.
- In case of any delay, prior approval atleast 30 days in advance shall be obtained from the Authority.



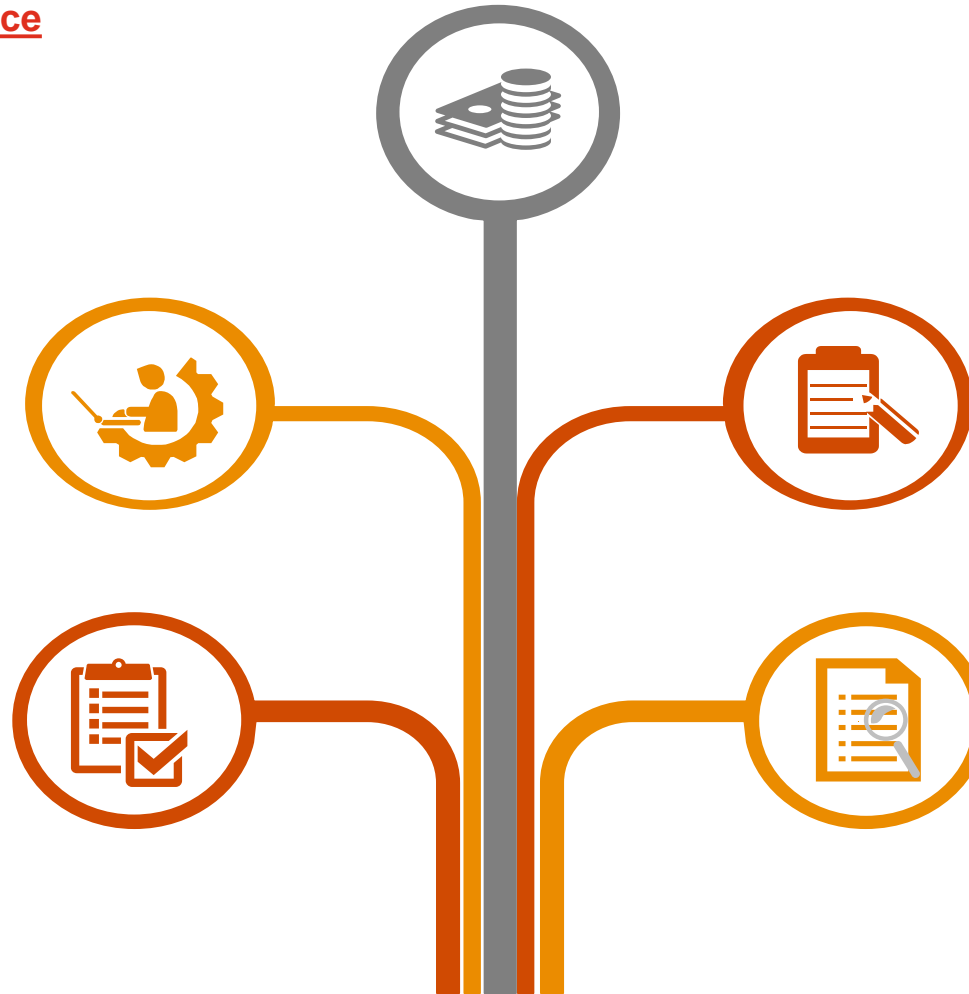
# Permissible Activities

## Direct Insurance – Indian Insurance companies & Foreign Insurers

- Registered IIO can transact in direct insurance business
  - within IFSC,
  - from other SEZs and
  - from outside India.
- However, it shall not write direct insurance from the DTA, except in accordance with section 2CB of the Insurance Act, 1938.

## Eligible clients

- An IIO can conduct its business with residents and non-residents, as permitted by the IFSCA.



## Reinsurance – Indian and Foreign Insurers

- Registered IIO can accept re-insurance business from cedents
  - in the IFSC,
  - in relation to risk emanating from other SEZs and
  - re-insurance business from outside India;
- IIO can accept re-insurance business from the insurers in DTA in accordance with the order of preference for cession

## Other activities

- An IIO can render such other insurance or re-insurance business related services as may be specified by the IFSCA, subject to obtaining prior approval

**Permissible activities**

# Opportunities for Non-Life Insurers

- Non-life and health business of NRIs, OCIs, PIOs and foreign nationals
- Indian interest abroad: Non-resident employees of Indian companies
- Indian interest abroad: Non-life risks (liability, property etc) Indian multinationals
- Group health business for SEZ and IFSC employers
- Risks situated in SEZs.
- Inward reinsurance
- Reinsurance (facultative and treaty from outside India i.e. cedants based in jurisdictions outside India)
- Reinsurance (facultative only from cedants in India)
- Health cover for Indian resident subject to LRS limits and relatives of Indian residents (premium paid from NRE/FCNR)
- Alternate Risk Transfer and others.



# Opportunities for Life Insurers

- Life insurance business of NRIs, OCIs, PIOs and foreign nationals
- Indian interest abroad: Non-resident employees of Indian companies
- Group business for SEZ and IFSC employers
- Inward reinsurance
- Reinsurance (facultative and treaty from outside India)
- Reinsurance (facultative only from cedants in India)
- Indian resident subject to LRS limits and relatives of Indian residents (premium paid from NRE/FCNR)
- Alternate Risk Transfer and others

# Opportunities for Insurance Brokers

- Non-life and health business of NRIs, OCIs, PIOs and foreign nationals
- Indian interest abroad: Non-resident employees of Indian companies
- Indian interest abroad: Non-life risks (liability, property etc) Indian multinationals
- Group health business for SEZ and IFSC employers
- Risks situated in SEZs.
- Inward reinsurance
- Reinsurance (facultative and treaty from outside India i.e. cedants based in jurisdictions outside India)
- Reinsurance placed with IIOs or CBRs (from cedants in IFSC and India)
- Reinsurance placed outside India (offshore to offshore)
- Health cover for Indian resident subject to LRS limits and relatives of Indian residents (premium paid from NRE/FCNR)
- Alternate Risk Transfer and others.
- HNI Life Insurance Policies
- Risk Management Services



# Insurance Business – Regulatory norms

## Prudential Regulatory requirements



### General Prudential requirements

As may be specified by the IFSCA



### Paid-up Equity share capital



Paid-up equity share capital of Rs. 100 crore for life insurance or general insurance and Rs. 200 crore in case of reinsurer



### Assigned Capital



Minimum USD 1.5 million in any freely convertible foreign currency



### Solvency Margin



- Branch office – To maintain solvency margin in the home country as stipulated by home country regulatory or supervisory authority
- Public company, WoS of an insurer or a re-insurer, an insurance co-operative society or a body corporate – Maintain solvency margin as specified by IFSCA

### Books of accounts

- To be maintained as specified by the IFSCA
- Every financial reporting to IFSCA shall be in USD

### Operational Currency

- Freely convertible foreign currency, whether resident or otherwise;
- An IIO shall be permitted to have an INR account to defray its administrative, statutory expenses

### Changes in Shareholding

- Prior approval from the IFSCA for change exceeding 5% of the paid-up share capital;
- Prior intimation to the authority for change less than 5% of the paid-up share capital.

# IFSC Insurance Intermediary Office ('IIIO')

## Eligibility

- IIIO is a financial institution, being an insurance intermediary set up in IFSC to undertake permissible intermediary or insurance intermediary activities.
- The following applicants are eligible for setting up IIIO in IFSC:
  - Intermediary or insurance intermediary registered with IRDAI;
  - Foreign insurance intermediary registered with home country regulatory or supervisory authority;
  - Indian company incorporated under the Companies Act, 2013, or a firm or a co-operative society; or
  - Body corporate incorporated under the laws of any country outside India.

## Categories of IIIO

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• <u>Insurance distributor:</u><ul style="list-style-type: none"><li>○ Composite Broker;</li><li>○ Corporate Agent;</li><li>○ Direct Broker;</li><li>○ Reinsurance Broker;</li></ul></li></ul> | <ul style="list-style-type: none"><li>• <u>Insurance claim service provider:</u><ul style="list-style-type: none"><li>○ Surveyor and Loss Assessor;</li><li>○ Third Party Administrator ('TPA').</li></ul></li></ul> |
|--|--|



# III O - Net owned fund requirement

Category	III O set up as a new entity		III O set up as a Branch
	Capital requirement (USD)	Net Worth Requirements (USD)	Capital requirement (USD)
Direct Insurance Broker	100,000	80,000	10,000
Reinsurance Broker	550,000	60% of min capital requirement	55,000
Composite Broker	675,000	60% of min capital requirement	67,500
Corporate agent	75,000	75,000	7,500
TPA	550,000	150,000	55,000

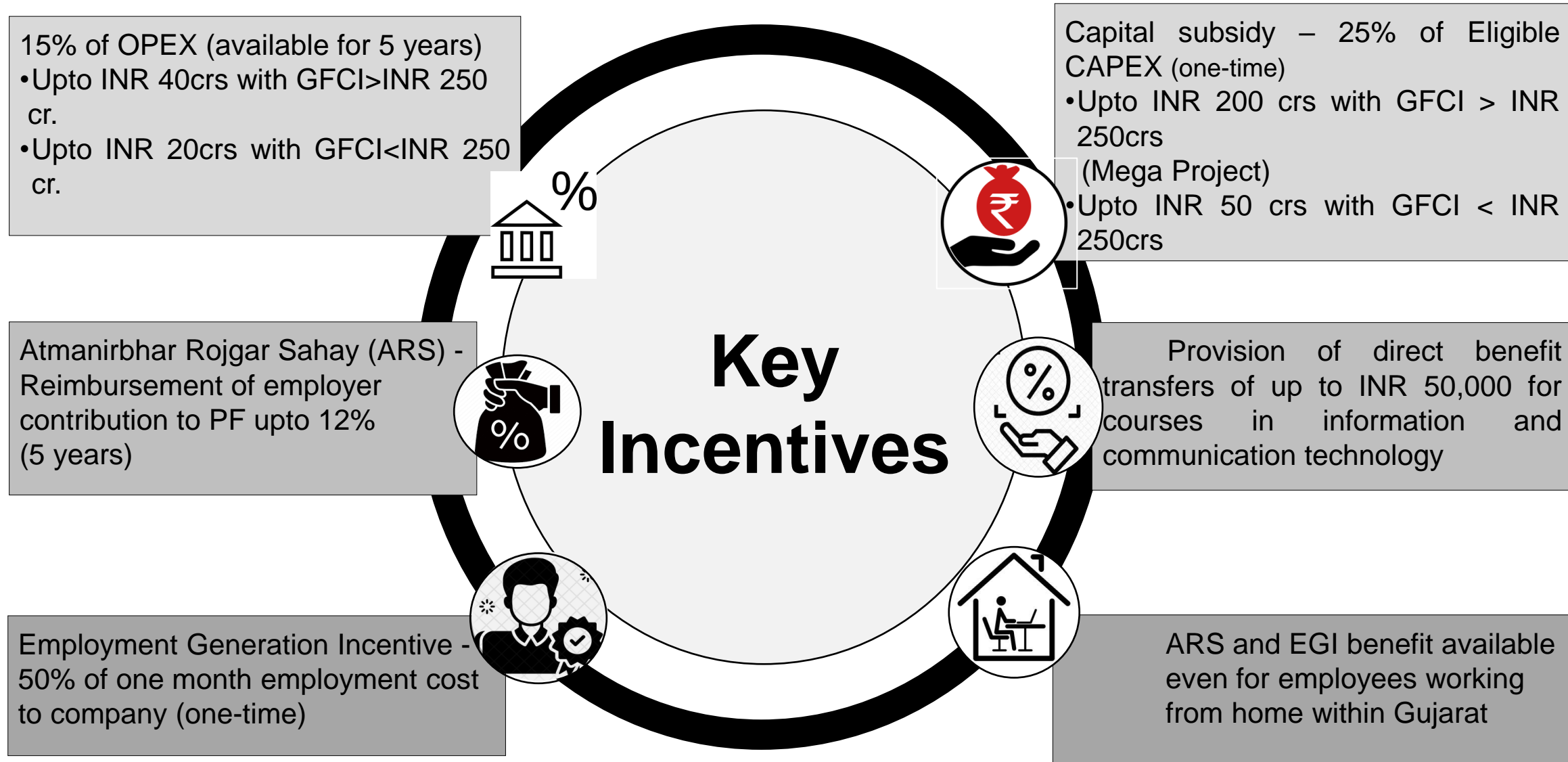
# Insurance Business in GIFT IFSC – Tax framework



# Tax framework – Insurer and Insurance intermediary in GIFT IFSC

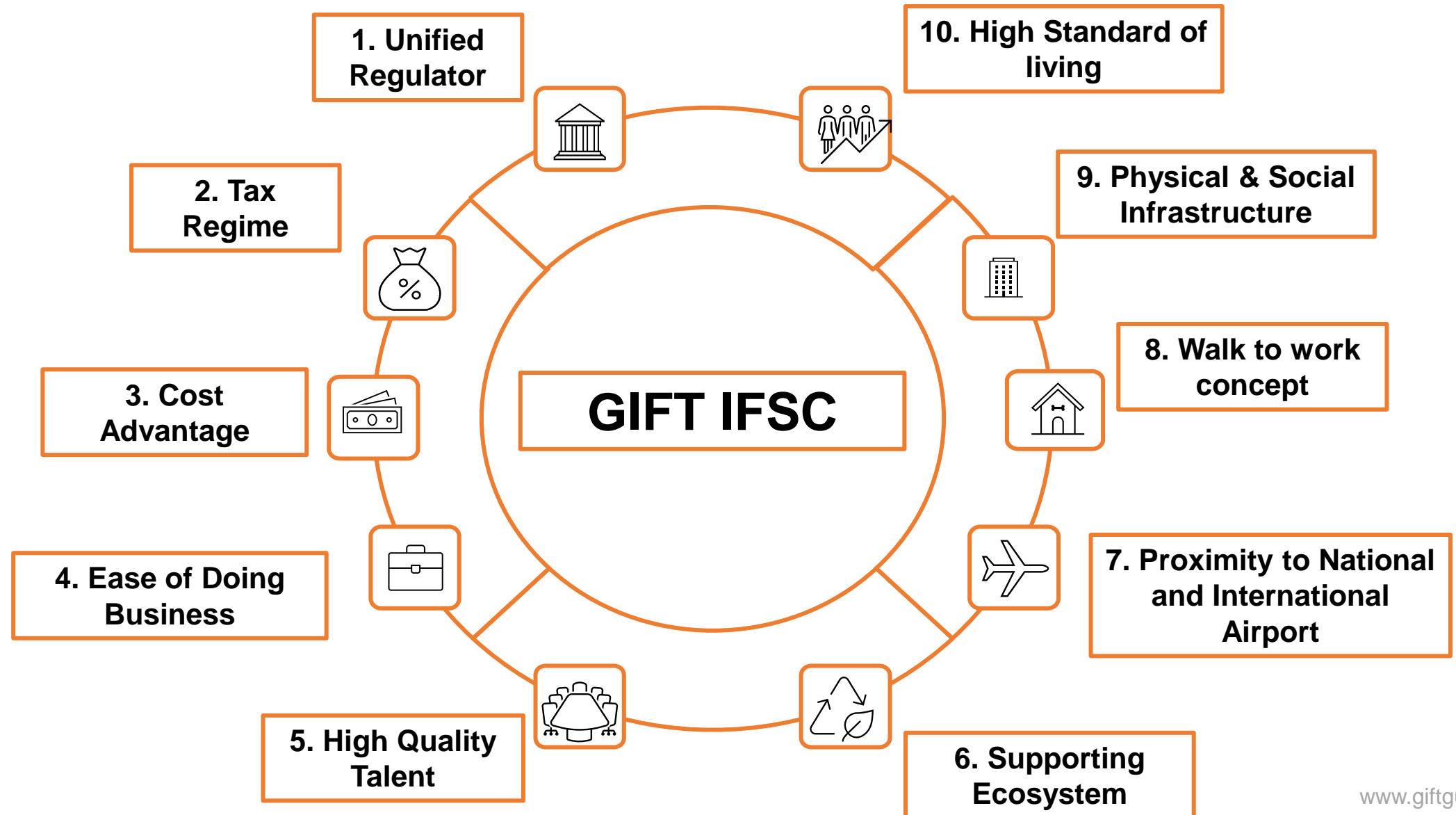
Particulars	Units in IFSC
<b>Income-tax</b>	<ul style="list-style-type: none"> <li>• 100% tax exemption for 10 consecutive years out of 15 years</li> <li>• MAT / AMT @ 9% of book profits applies to Company / others setup as a unit in IFSC - MAT not applicable to companies in IFSC opting for new tax regime</li> <li>• Dividend paid to shareholders of company in IFSC <ul style="list-style-type: none"> <li>- May be taxable in the hands of recipient - Exemption not relevant due to withdrawal of DDT regime</li> </ul> </li> </ul>
<b>Goods and Services Tax</b>	<ul style="list-style-type: none"> <li>• No GST on services – <ul style="list-style-type: none"> <li>- received by unit in IFSC</li> <li>- provided to IFSC / SEZ units, Offshore clients</li> </ul> </li> <li>• GST applicable on services provided to DTA</li> </ul>
<b>Other taxes duties</b>	<ul style="list-style-type: none"> <li>• State Subsidies – Lease rental, PF contribution, electricity charges</li> </ul>

# Government of Gujarat IT/ITeS Policy (2022-27)





# Key Benefits of office at GIFT City



# Thank you