



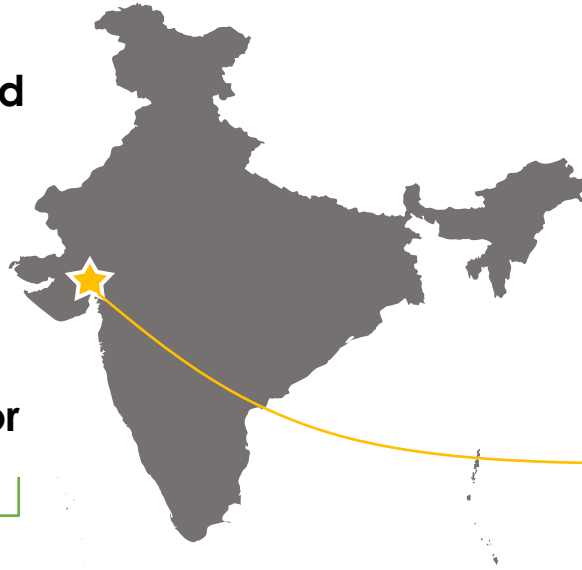
GIFT City: International Financial Services Centre

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 March 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

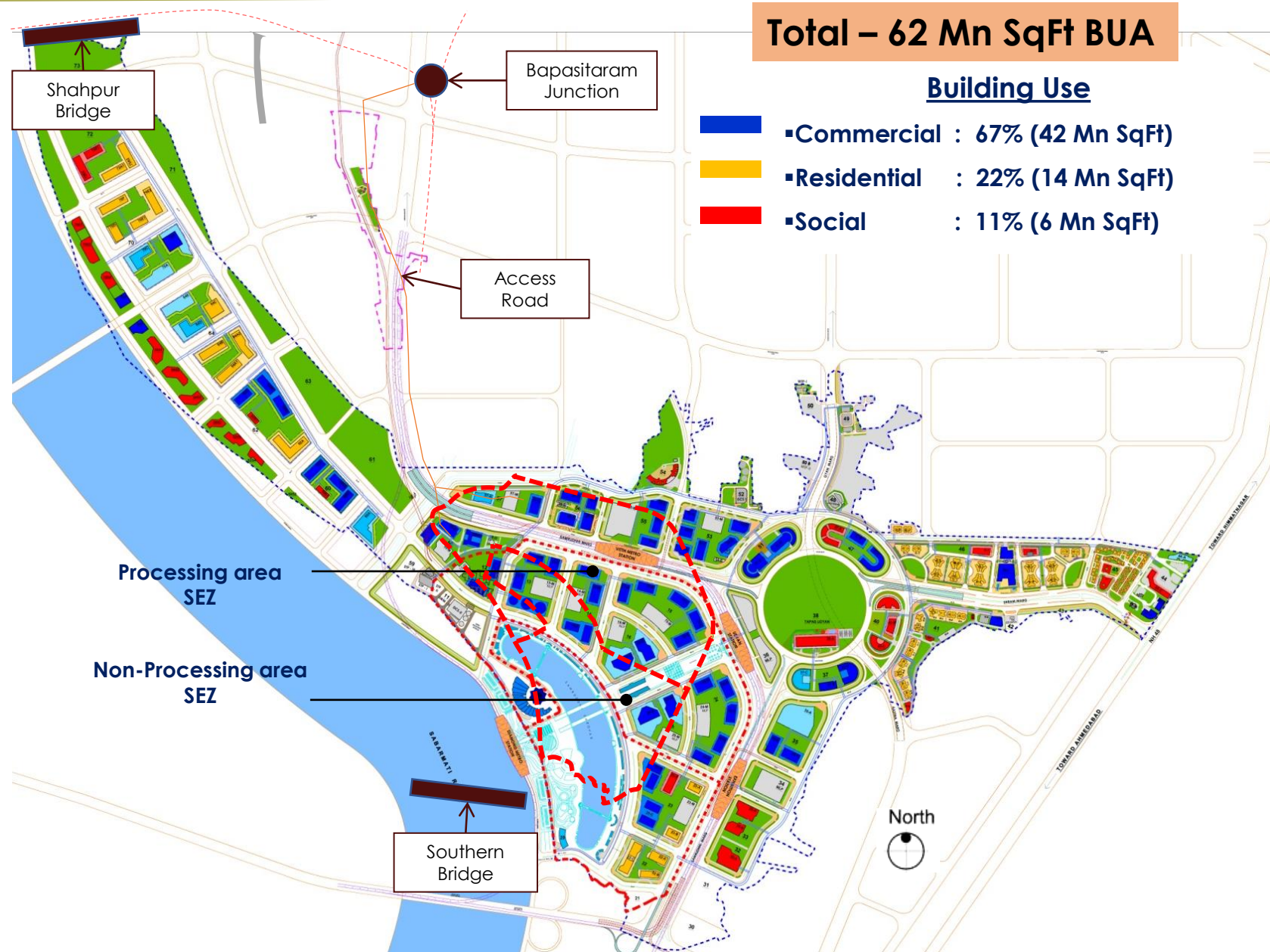
Between Ahmedabad and Gandhinagar with Airport Connectivity



Ease of Doing business

Conducive regulatory environment

Master Plan



State of Art Infrastructure at GIFT City

Water Treatment Plant



District Colling Plant



Utility Tunnel



Automated Waste Collection & Segregation Plant



City Command and Control Centre (C4)





INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC)

Opportunities for Banking Unit

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

Overview - IFSC

BUSINESS ACTIVITIES



BANKS

- Indian banks
- Foreign banks



CAPITAL MARKET

- Stock/Commodity Exchanges
- Clearing Corporation
- Depository
- Broker Dealer



ASSET MANAGEMENT

- Alternate Investment Fund
- Investment Advisers
- Wealth Management
- Portfolio Manager
- Custodial Services



INSURANCE

- Indian Insurer
- Indian Reinsurer
- Indian Broker
- Foreign Insurer
- Foreign Reinsurer



Other Financial Institutions

- Finance Company
- Global Corporate Treasury Centre
- International Trade Finance Services Platform



Emerging Activities

- Global Fintech Hub
- Global inhouse centres
- International Bullion Exchange
- Aircraft Leasing & Financing
- Ship Leasing & Financing
- Ancillary Services/Professional Service Providers

COMPETITIVE TAX REGIME

Overview - IFSC

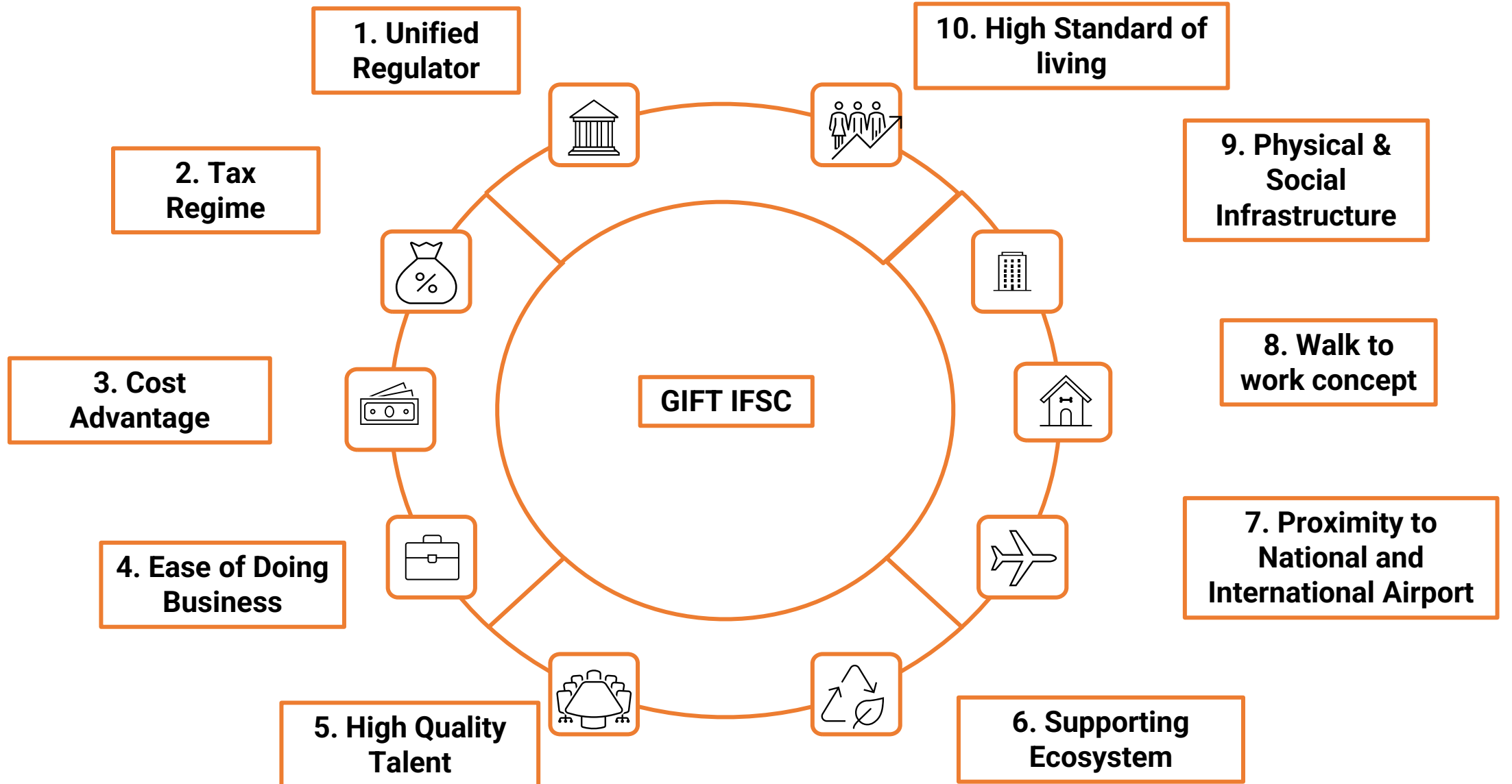
- 100% Tax Exemption (for 10 out of 15 years)
- Minimum Alternate Tax* @ 9%
- No CTT**/STT**/GST**/Stamp Duty
- No Capital Gain Tax
- Withholding tax @4% on interest paid on Debt Instruments
- Competitive AIF Tax Regime
- Incentives under Gujarat IT/ITes Policy (2022-27)

* MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BAA of Income Tax Act, 1961

**CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax



Key Benefits of office at GIFT City



IFSC Banking Unit in GIFT IFSC

IBUs in GIFT IFSC



Regulatory Framework

- IFSCA Banking Regulations 2020 notified
- IFSCA Banking Handbook issued in Aug 2021, became effective from January 1, 2022.

01

IFSCA Handbook
- General
Directions

02

IFSCA Handbook
– Prudential
Directions

03

IFSCA Handbook
– Conduct of
Business
Directions

IFSCA Handbook - General Directions (01)

Licensing of IBU Unit

- Minimum Capital of USD 20 mn (Base Capital Requirement) to be maintained at Parent level
- Undertaking by the Parent entity
- NOC from Home regulator)

Governance

- Parent shall form a Governing Body of the IBU with at least 3 members
- Governance body shall approve frameworks regarding governance, risk management, controls and business strategy

Controlled and Designated Functions

- Controlled functions refers to those functions of an IBU carried out by individuals approved by the Authority such as CEO, Compliance officer, non-executive governance
- NOC from Home regulator)

IFSCA Handbook - Prudential Directions (02)

Capital Adequacy:

IBU to adhere to Capital Adequacy requirements of Home Regulator subject to meeting minimum regulatory capital under IFSCA regulations

Liquidity Coverage Ratio (LCR)* :

Higher of Minimum LCR prescribed by Home Regulator or IFSCA

Net Stable Fund Ratio (NSFR)* :

Higher of Minimum NSFR prescribed by Home Regulator or IFSCA

Reserve Requirement :

Exemption from CRR for deposits raised from other than individual resident in India or outside India.

Retail Deposit Reserve Ratio (RD RR) on daily basis at 3% of the deposits raised from individuals or Professional clients such as sovereign, , financial institutions as defined in COB Handbook

*With the Authority's permission, the NSFR and LCR may be maintained at the Parent Bank level

*Lender of Last Resort : Not available

IFSCA Handbook - Conduct of Business Directions (03)

Permitted Activities

- Acceptance of Deposits
- Borrowing & lending
- Trust Services
- Credit Enhancement
- Equipment Leasing and Hire Purchase
- Factoring and Forfaiting Services
- Underwriting
- Providing Investment Advisory Service
- Trading and Clearing member of Stock Exchange
- Acting as FX Prime brokerage
- Referral Services
- Acting as Portfolio Manager
- Custodian
- OTC Derivative
- FPI
- Merchant Banker

Other enablers

- ITFS
- Issuance of CDs
- Structured Deposits
- ETP & Voice Brokers
- IFRS

Work in Progress

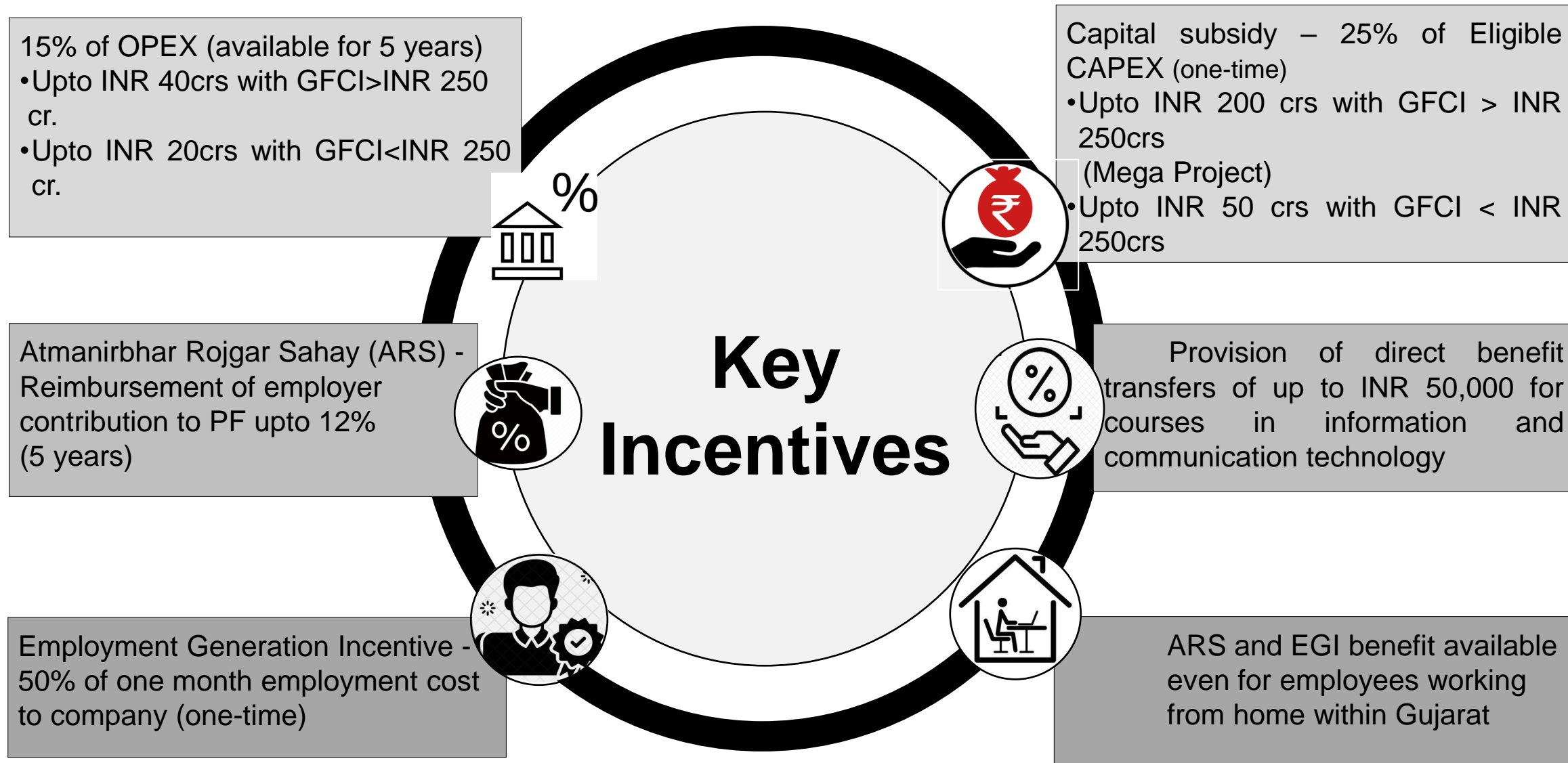
- Transfer of Stressed Assets
- Regional Administrative Office

Key Business opportunities for IBU

Commercial Banking <ul style="list-style-type: none"> ✓ ECB and Trade finance ✓ Factoring services ✓ Guarantee and indemnity business ✓ Equipment leasing ✓ Offer structured deposits ✓ Credit Enhancement / Insurance ✓ Risk Participation 	Capital Market <ul style="list-style-type: none"> ✓ Investment Banking ✓ Act as Primary Dealer ✓ Derivatives including NDFs: Market Maker ✓ Trading & Clearing members of IFSC Stock Exchanges ✓ Raising of Capital ✓ Investments in global and IFSC exchange 	International Bullion Exchange & Precious Metals <ul style="list-style-type: none"> ✓ Importation of Bullion through IBE ✓ Leasing, Market Making, Hedging and Trading in Spot/Derivative in Bullion ✓ Bullion Depository Receipt Financing ✓ Gold Saving Account & Gold Accumulation Plans (Retail)
Retail Banking <ul style="list-style-type: none"> ✓ Private & Wealth Banking ✓ structured deposits ✓ Distributor of MF units, Insurance and other financial products ✓ Investment advisory services 	Services <ul style="list-style-type: none"> ✓ Underwriting the subscription of funds ✓ Custodian of securities ✓ Trustee and Fiduciary services ✓ PMS 	Others <ul style="list-style-type: none"> ✓ FPI ✓ EFI ✓ Referral Services ✓ Regional Administrative Office* ✓ Remittance

IBU may undertake all activities mentioned u/s 3(1)(e) of the IFSCA Act and section 6 of B R Act, 1949 *

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



Thank you

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Visit us: <http://www.giftgujarat.in>



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