



GIFT CITY

International Financial Services Centre

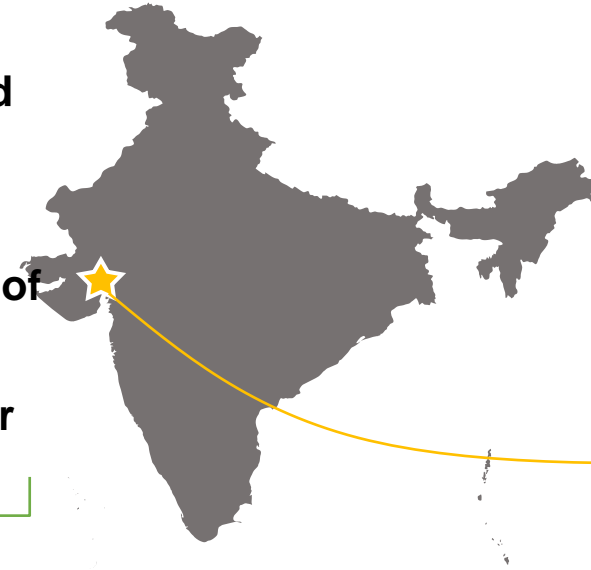
A Financial & Technology Gateway of India

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 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

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

Ancillary Service Providers in GIFT IFSC

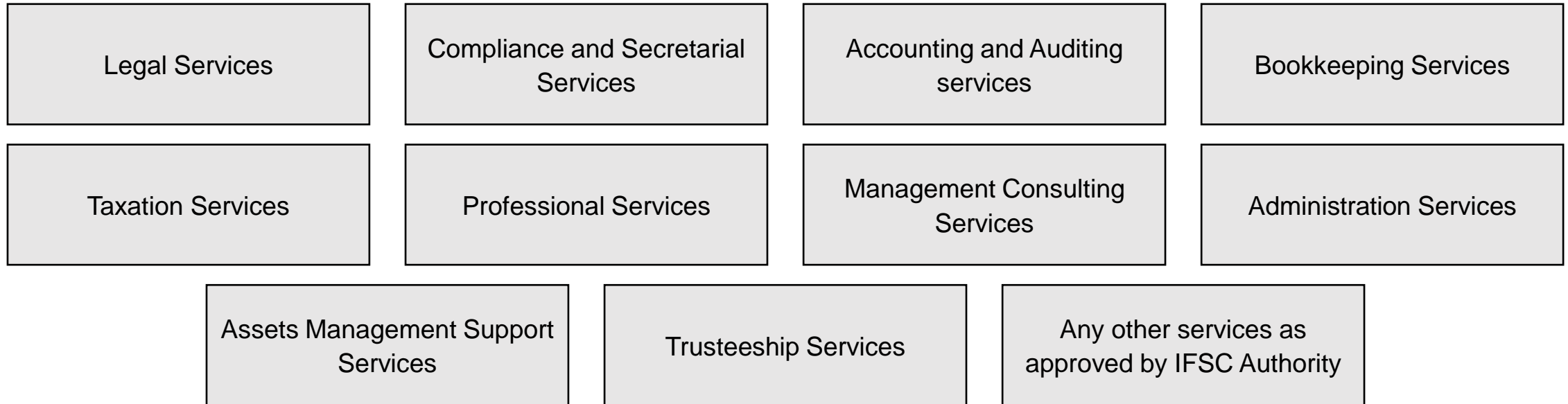
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An Overview

What constitutes Ancillary Services

- Considering the importance of professional and other service providers for the development of financial products, financial services and financial institutions in the IFSC, the IFSC Authority on 10 February 2021 notified a framework for enabling ancillary services at IFSC.
- This framework shall be applicable to all ancillary service providers engaged in one or more permissible ancillary services within the IFSC.

Permissible Ancillary Services



Refer **Annexure A** for detailed activities of such permissible ancillary services

Regulatory and Tax Framework

Regulatory Framework



Eligibility

Following entities may act as ancillary service providers in IFSC:

- Any existing or newly incorporated entity set up in the IFSC or
- The entity may be set up in the IFSC in the form of a company or a limited liability partnership or a registered partnership firm, their branch thereof or any other form as may be approved by the IFSCA



Service Recipients

- Entity(ies) set up in the IFSC;
- Entities from foreign jurisdictions for various permissible ancillary services in the IFSCs in India or overseas;
- Indian entities who propose to open, set up or carry out operations in IFSCs or foreign jurisdiction, provided consideration is received in freely convertible foreign currency.

❖ Applicants shall seek IFSCA registration separately under the appropriate framework for undertaking regulated activities such as Debenture Trustee, Investment Advisor, AIF, Fund Management, etc.

❖ Entity set up in IFSC in India regarded as non-resident from Indian exchange control perspective



Currency

- To transact in freely convertible foreign currency only
- Ancillary service provider is permitted to defray its administrative expenses in INR by maintaining an INR account



Fees

- Application Fee : USD 500
- Registration Fee : USD 2,000 (for 5 years)

Tax Framework

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

Benefits to Ancillary Service Provider in IFSC

100% Tax holiday period extended to 10 years out of any 15 years



GST benefits



Availability of quality talent pool in Gujarat



Lower real estate cost



State subsidies in Gujarat



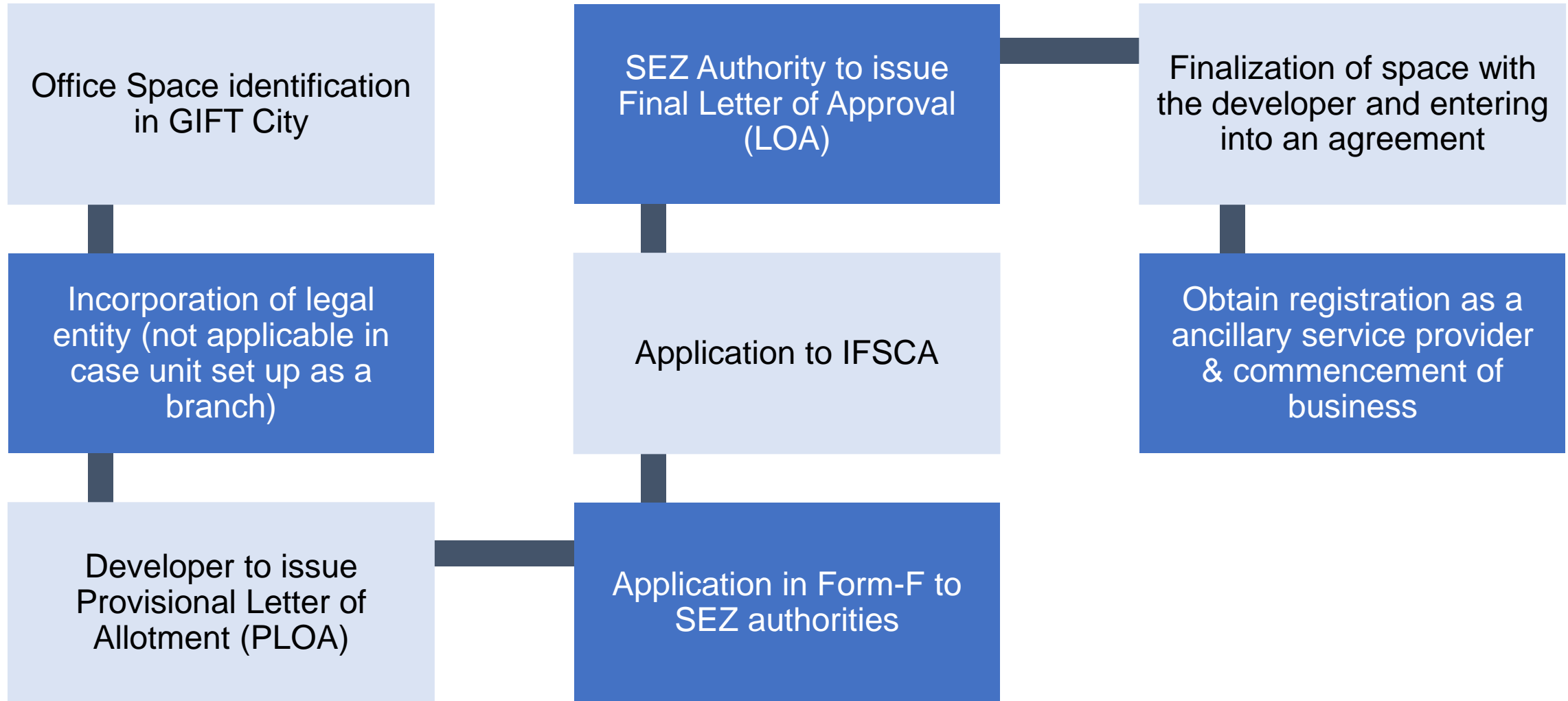
Target the new businesses setting up in IFSC and offshore clientele



❖ The applicant under the framework shall not take client assets (including money), directly or indirectly in its custody and shall only provide permissible services within the prescribed framework.

Process to set up IFSC unit at GIFT SEZ

How to set up office at IFSC in GIFT City



Annexure A – Detailed activities of permissible ancillary services (1/3)



Legal Services

- **Legal advisory services:** Tendering legal opinions, drafting legal documents, research and other work for the preparation of a non-judicial case and the execution of post-litigation work.
- **Legal documentation and certification services:** Preparation, drawing up and certification services of legal documents.
- **Other legal advisory and information services:** Advisory services to clients related to their legal rights and obligations and providing information on legal matters not classified elsewhere. This includes services such as escrow and settlement services



Compliance & Secretarial Services

- Providing advice, consultancy, assistance or other related services, for fulfilling legal obligations/compliances under various laws for the time being in force;
- Secretarial services in relation to any applicable law including laws of foreign jurisdictions.



Accounting and Auditing Services

- **Financial auditing services:** Examination of the accounting records and other supporting evidence of an organization for the purpose of expressing an opinion on financial statements.
- **Accounting review services:** Reviewing services of annual and interim financial statements and other accounting information.
- **Compilation of financial statements services:** Compilation of financial statements from information provided by the client. This service shall also include the preparation services of business tax returns, when provided as a bundle with the preparation of financial statements for a single fee.
- **Other accounting services:** Attestations, valuations, preparation services of pro forma statements, etc.



Bookkeeping services, except tax returns

- Bookkeeping services consisting of classifying and recording business transactions in terms of money or some unit of measurement in the books of account.

Annexure A – Detailed activities of permissible ancillary services (2/3)



Taxation Services

- **Business Tax Planning and Consulting Services:** Advisory services to enterprises to do tax planning.
- **Business Tax Preparation and Review Services:** Services consisting of preparing or reviewing various returns and reports required for compliance with the income tax laws and regulations and representing before the tax authorities.
- **Other Tax Related Services:** Services consisting of assisting entities in tax planning and preparing all documentation required by law.



Professional Services

- Advisory Services to entities within IFSC in relation to a financial product or in connection with their business in IFSC or their business with an Indian company or an overseas company;
- Advisory Services to companies/entities outside India in relation to their business or investment activity including in India or in IFSC;
- Advisory Services to companies/entities in India in relation to their business or investment activities outside India or in IFSC.
- Advisory and Facilitation Services to entities in IFSC/outside India in relation to their capital raising activities outside India.
- Advisory and Facilitation Services to entities in IFSC/outside India in relation to their merger & acquisition or capital restructuring activities outside India.



Management Consulting Services

- **General management consulting services:** Advisory, guidance and operational assistance services concerning business policy and strategy and the overall planning, structuring and control of an organization.
- **Financial management consulting services (except business tax):** Advisory, guidance and operational assistance services concerning decision areas which are financial in nature.
- **Marketing management consulting services:** Advisory, guidance and operational assistance services concerning the marketing strategy and marketing operation of an organization.



Administration services

- Offering support services in relation to safeguarding and administering assets consisting of financial products, belonging to another person, or agreeing to do so.



Assets Management Support Services

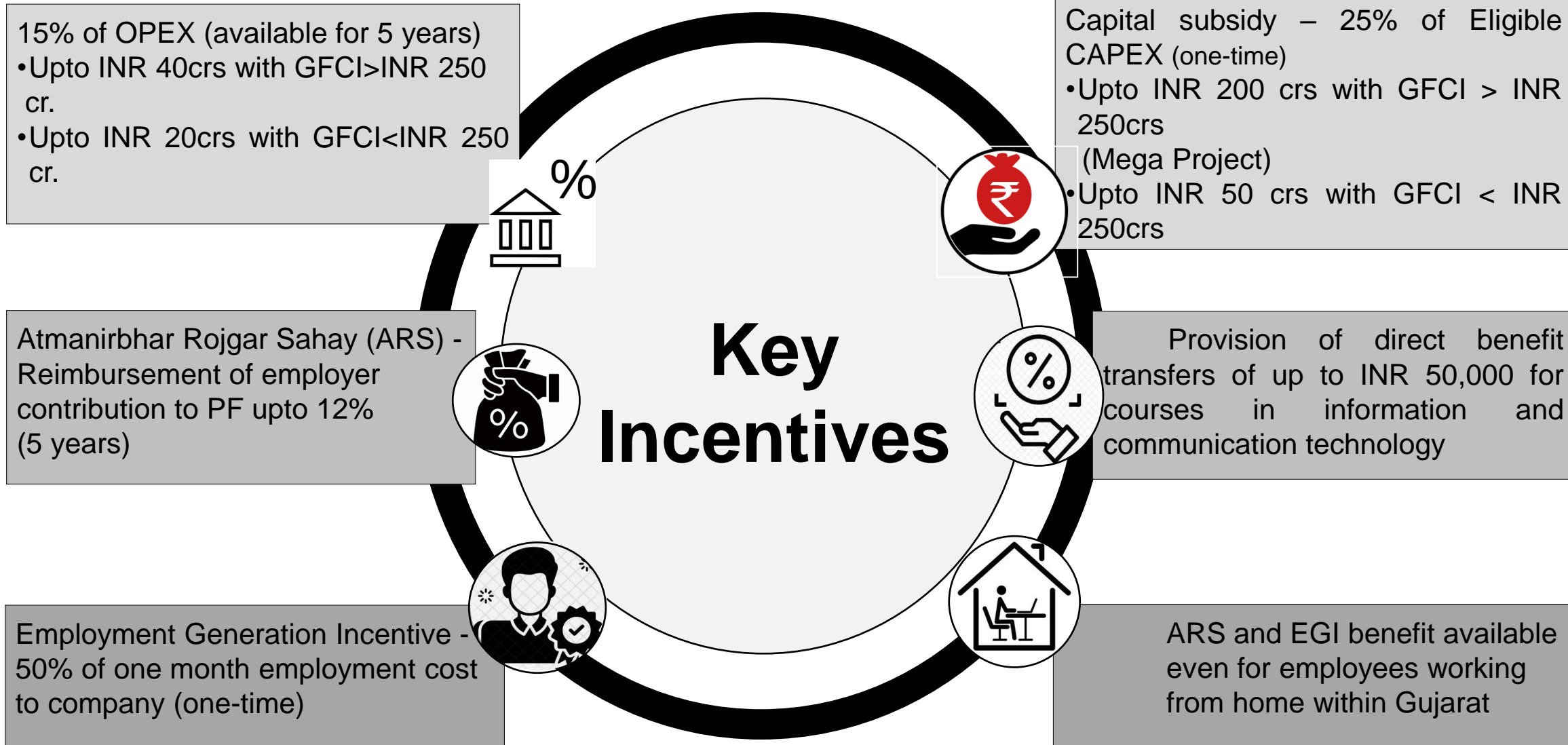
- Offering support services to Asset Management Companies. Providing services for maintenance of various physical assets belonging to another person / used by other person.



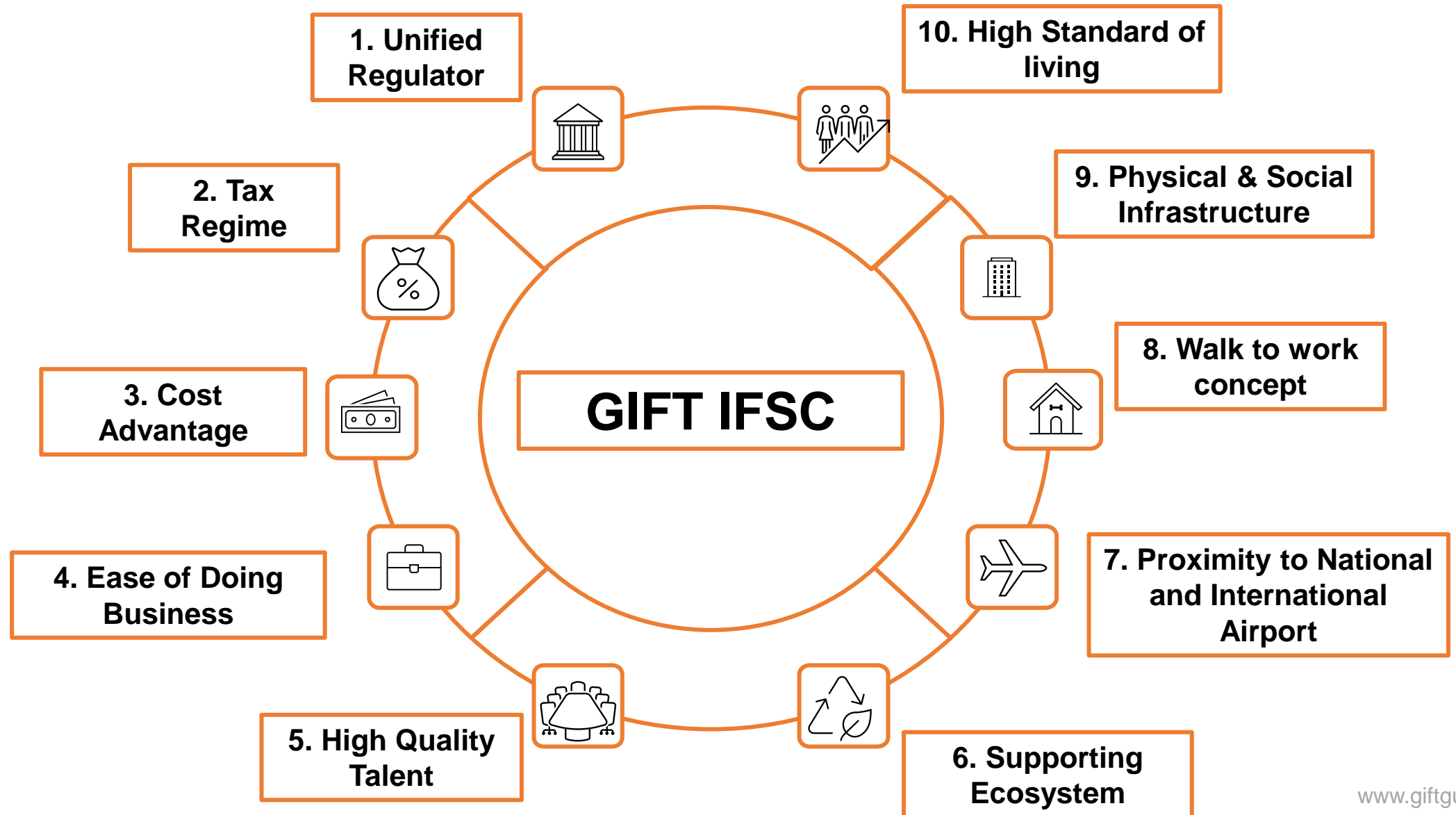
Trusteeship Services:

- Services such as Trusteeship for AIFs, InvIT and REIT, Security Trustee and other related financial services such as escrow agent.”

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



Key Benefits of office at GIFT City



Thank you

CONTACT US:

Gujarat International Finance Tec-City Company Ltd.

Reg. Office: EPS - Building no. 49A, Block 49, Zone 04, Gyan Marg, GIFT City, Gandhinagar – 382355. Gujarat

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



GIFT SEZ LTD.

IFSC Department

Gift House, Block -12, Road 1-d, zone-I,
Gift SEZ, GIFT City, Gandhinagar
Gujarat - 382355