

A Financial & Technology Gateway of India



India's 1st Operational Smart City & IFSC



IFSC - GIFT City & Prime Minister's Vision For GIFT City

A Greenfield Smart City developed on 886 Acres of land

Developed by Government of Gujarat through a Joint Venture

Potential employment opportunity for 1 Million people




Ranked 3rd in the recent report by the Global Financial Centres Index as one of the IFSC which could become more significant in next few years

Government of India has approved GIFT City as an IFSC



“My vision is that in ten years from now, GIFT city should become the price setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other financial instrument.” The concept of IFSC is simple but powerful. It aims to provide on-shore talent with an offshore technological and regulatory framework. This is to enable Indian firms to compete on an equal footing with offshore financial centres.”

Shri Narendra Modi, Hon'ble Prime Minister of India

A long, brightly lit industrial tunnel, likely a water treatment plant. The tunnel is filled with rows of large, cylindrical pipes supported by yellow brackets. The floor is a reddish-brown color, and a yellow metal grate runs down the center. The perspective is from the end of the tunnel, looking down its length.

GIFT City – Infrastructure Development

Water Treatment Plant



District Colling Plant



Utility Tunnel



Automated Waste Collection & Segregation Plant



IFSC - Objective

- ✓ To emerge as a major economic power with the **strong base of international financial services**
- ✓ Facilitate the implementation of the Government's strategy for the development of a **Global financial hub** in the Country.
- ✓ Position the IFSC as a world-class zone for the long-term provision of office/service accommodation and **high technological, economical and commercial infrastructure.**

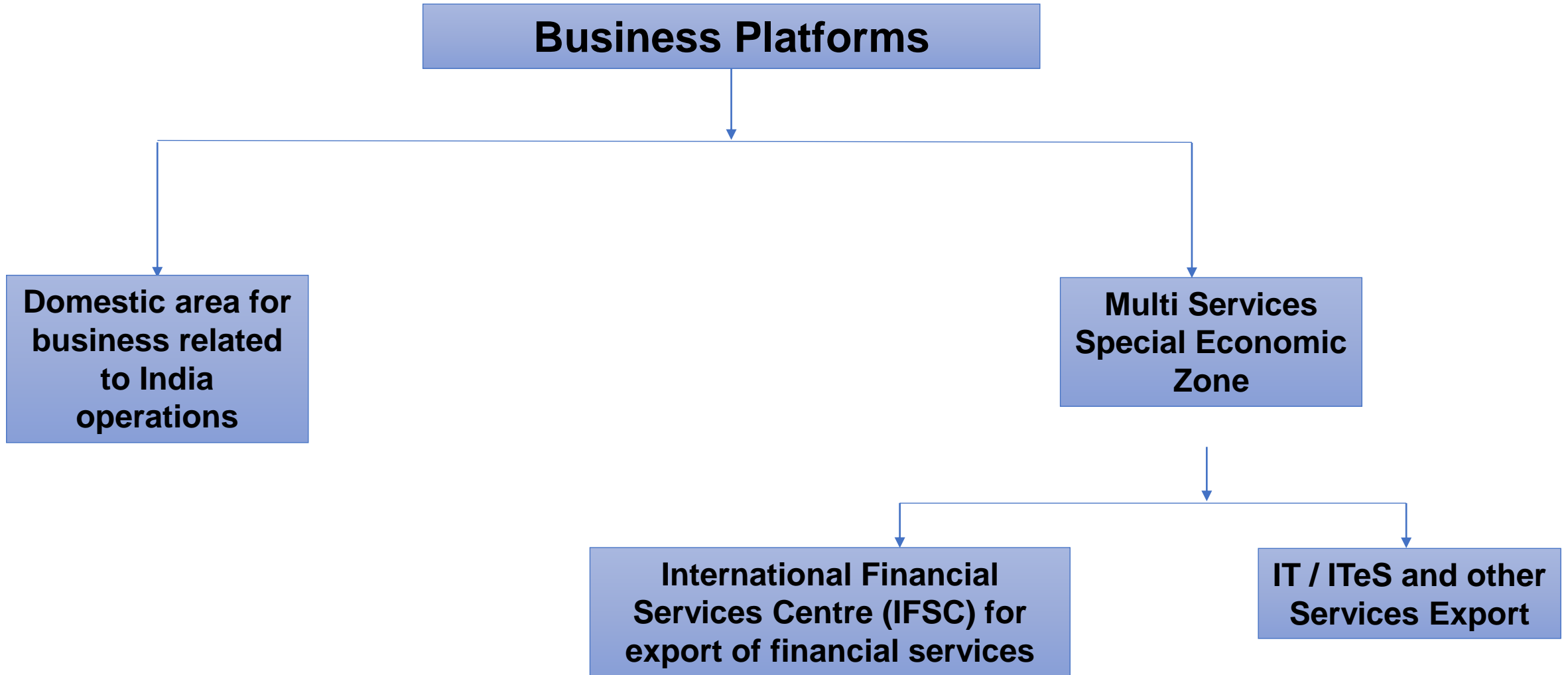
Vision of Hon'ble Prime Minister of India

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GIFT City – Preferred business destination

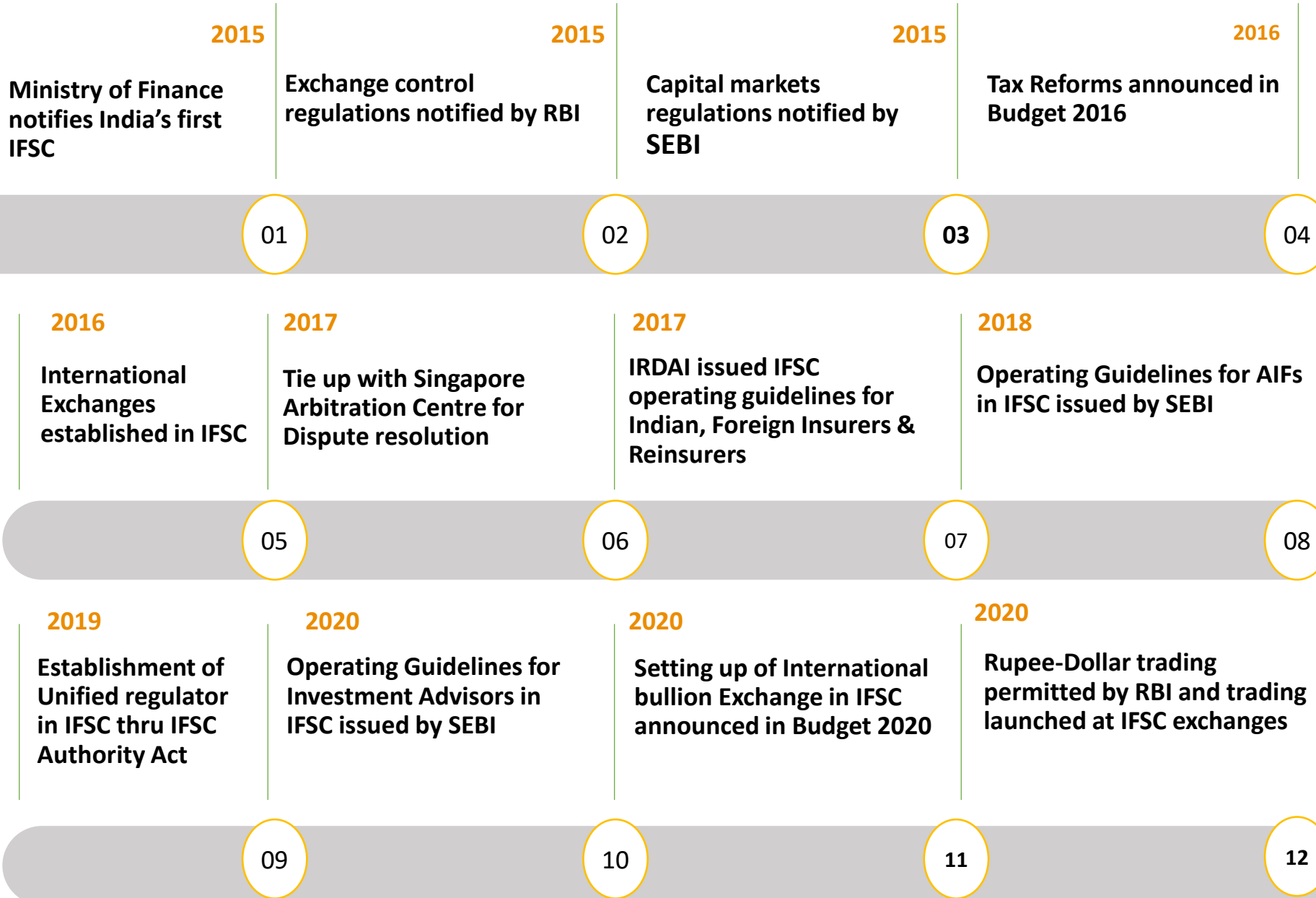
Business hub for International & Domestic operations



International Financial Services Centre



The Journey So Far



IFSC Business activities

Offshore Banking

- Corporate Banking
- Servicing JV/WOS of Indian companies registered abroad
- Factoring / Forfeiting of export receivables
- NDF currency trading

Capital Markets

- Exchanges
- Brokerage services
- Permissible Securities
- Investment Adviser
- Portfolio Management Services

Offshore Insurance

- General / Life Insurance
- Co-Insurance
- Reinsurance
- Captive Insurance etc.

Ancillary Services

- Legal, Accounting & Audit
- Research & Analytics etc.
- Compliance, Recruitment
- Risk Management etc.
- Fund Administration

Offshore Asset Management

- Fund Accounting
- Investment services
- Custodial services
- Trust services etc.

Business opportunities - IFSC

International Banking

- Indian & Foreign Bank

Insurance & Reinsurance

- Life & General Insurance
- Reinsurance business
- Reinsurance broking

Capital Markets

- International Exchanges, Depository
- Custodians
- Institutional broking
- Proprietary trading
- Alternate Investment Fund
- Investment Advisory
- Portfolio Management Services
- Mutual Funds

Participation as a Client:

- ✓ Foreign Portfolio Investors
- ✓ Eligible Foreign Investors
- ✓ Non-resident Indian (NRIs)
- ✓ Foreign individuals
- ✓ Indian domestic institution as permitted under FEMA

**Facilitate offshore clients as Segregated Nominee
Account Provider (SNAP)**

Current players and Ecosystem in IFSC – GIFT City

Sr No	Players	Key business activities and features	Volume and No. of players
1	Stock exchanges	<ul style="list-style-type: none"> • Dollar denominated products • No transaction cost (other than brokerage) • Trading - 22 hours 	<ul style="list-style-type: none"> • India INX and NSE IFSC stock exchange • Average daily volume crossed USD 4 Bn+
2	IFSC banking units	<ul style="list-style-type: none"> • ECB Lending • Loan syndication and trade finance 	<ul style="list-style-type: none"> • 14 Banks • Business transactions - USD 28 Bn+
3	Brokers	<ul style="list-style-type: none"> • Broking services • Proprietary trading 	<ul style="list-style-type: none"> • 100+ Broking firms
4	Insurance players	<ul style="list-style-type: none"> • Reinsurance business • Insurance intermediaries 	<ul style="list-style-type: none"> • 19+ players • Sum insured - USD 30 Bn+
5	IT & ITeS	<ul style="list-style-type: none"> • Legal & consultancy firm • IT companies 	<ul style="list-style-type: none"> • 50+ entities



Tax regime for IFSC units & Non-IFSC Units (SEZ Units)

Particulars	IFSC Units	Non-IFSC Units (SEZ units)
Income-tax	<ul style="list-style-type: none"> • 100% tax exemption for 10 consecutive years out of 15 years • MAT / AMT at 9% of book profits / adjusted profits to apply • Dividend Distribution tax exemption for IFSC Cos. 	<ul style="list-style-type: none"> • New SEZ occupiers are eligible to receive both direct and indirect tax benefits, only if they Letter of Approval (LOA) is issued before the end of March 2020. All new SEZ occupiers getting LOA beginning 1 April 2020 will not be eligible to receive direct tax benefits. However, the sunset clause will not impact their indirect taxes, and they will continue to receive benefits such as exemptions on GST and SEIS incentives (on eligible services), as long as they are operational. • MAT at 15%
Indirect tax Benefits	<ul style="list-style-type: none"> • No GST on services – <ul style="list-style-type: none"> ○ <i>received by unit in IFSC</i> ○ <i>provided to other IFSC / SEZ units</i> ○ <i>exported to offshore clients including intermediary services</i> • GST applicable on services provided to DTA 	<ul style="list-style-type: none"> • Exemption from the payment of customs duties and/or GST. The SEZ unit is free to make supplies to a Domestic Tariff Area ('DTA') unit, based on a payment of IGST, where the payment is received in foreign exchange. • GST applicable on services provided to DTA

Competitive Tax Regime in IFSC

NIL TAX

- ✓ Security Transaction Tax (STT)
- ✓ Commodity Transaction Tax (CTT)
- ✓ Dividend Distribution Tax (DDT)
- ✓ Long Term Capital Gain (LTCG)
- ✓ Short Term Capital Gain (STCG)
- ✓ Withholding Tax
- ✓ Good & Services Tax (GST)

10 years Tax holiday

Minimum Alternate Tax (MAT) 9 % of Book Profit

(GoG has also exempted stamp duty for entities having registered office in GIFT for capital market activities).

Institutions Occupying Space @ IFSC /SEZ

Banking (Business of US \$ 28 bn)



Insurance (Sum Insured business of US \$ 30 bn)



Capital Markets (average daily trading volume crossed of US \$ 4 Bn)

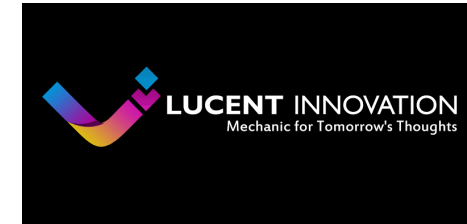


Brokers - 100

Institutions Occupying Space @ SEZ



BANK OF AMERICA



Thank you