



The Institute of Chartered Accountants of India (Dubai) Chapter NPIO



BATF (Book-keeping, Accounting, Taxation & Financial Crime Compliance Services)

OPPORTUNITIES for CAs & PROFESSIONALS in GIFT IFSC

TITLE SPONSOR



BNW DEVELOPMENTS
بي ان دبلو للتطوير العقاري



INVESTING IN THE FUTURE



POWER OF SIMPLICITY

PRINCIPAL SPONSORS

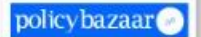


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INSURANCE

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BANKING

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PLATINUM SPONSORS



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الصكوك الوطنية
NATIONAL BONDS



AUDIT | TAX | ADVISORY



Audit | Tax | Advisory | Risk | Technology



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VALUATION

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INSTITUTIONAL

Partner



MAGAZINE

Partner



MEDIA

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International Financial Services Centre in GIFT City:

India Investment Platform for Global Investors

Opportunities for Institutions,
Professionals & Investors



International Financial Services Centre
Authority

Ministry of Finance, Government of India
GIFT City, Gujarat, India

www.ifsca.gov.in

The India Opportunity



Maximising the India Opportunity

Fastest Growing Large Economy & Stable Democracy

Key Achievements

- FY23-24 GDP USD 3.89 Tn (IMF)
- Exports of USD 779 Bn in FY23-24



High Real GDP Growth Rate of
8.2% FY 23-24 (IMF WEO Apr 2024)



5th largest economy;
To be 3rd largest by FY30



Strong Investor Trust
Gross FDI : USD 70.09 Bn in FY 24

Key Achievements

- 77 years of Democracy
- Strong Institutions – Parliament, Media, Judiciary



Youngest population : 65% of
population under **35 years of age**



Consistent Reforms Agenda :
Disinvestment, Fin Sector Reforms, Social & Fin. Incl.1.0



Focus on Ease of Doing Business:
1550 laws repealed, Colonial laws & regulations being replaced

Viksit Bharat@2047 – Pillars of Growth

Inclusive Sustainable Growth for the World's Largest Democracy

Potential to
grow at 7+%
over next 25
years

USD 35
Trillion

Projected Economy



Reforms 2.0 – Tax, financial inclusion & EODB reforms



Infrastructure Investments to scale up



Manufacturing (17% → 25% of GDP) & Exports



Talent & Technology focus



Net Zero Transition by 2070

Bharat Net-zero by 2070

Commitment Meets Action - Towards Net-Zero by 2070



India's Achievements till 2024 June

Ranked 4th globally in Re Energy Capacity,
4th in Wind; 5th in Solar Power capacity

#7 Climate Change Performance Index (2023) -
India is best among G-20 countries

200 GW Renewable Power Capacity already
Commissioned (Target: 500 GW by 2030)

National Program on High Efficiency
Solar PV Modules - 64 GW installed

India's Energy commitments

Raise non-fossil fuels-based energy capacity
to 500 GW by 2030

Reduce carbon emission by 1 Bn tonnes &
Raise Hydrogen Capacity to 5 MTPA by 2030






50% country's generation capacity from
renewable energy sources by 2030

Net-zero by 2070

Bharat@2047: Key Infrastructure Plans



USD 44 bn raised through Monetisation of Infra Assets in last 3 years

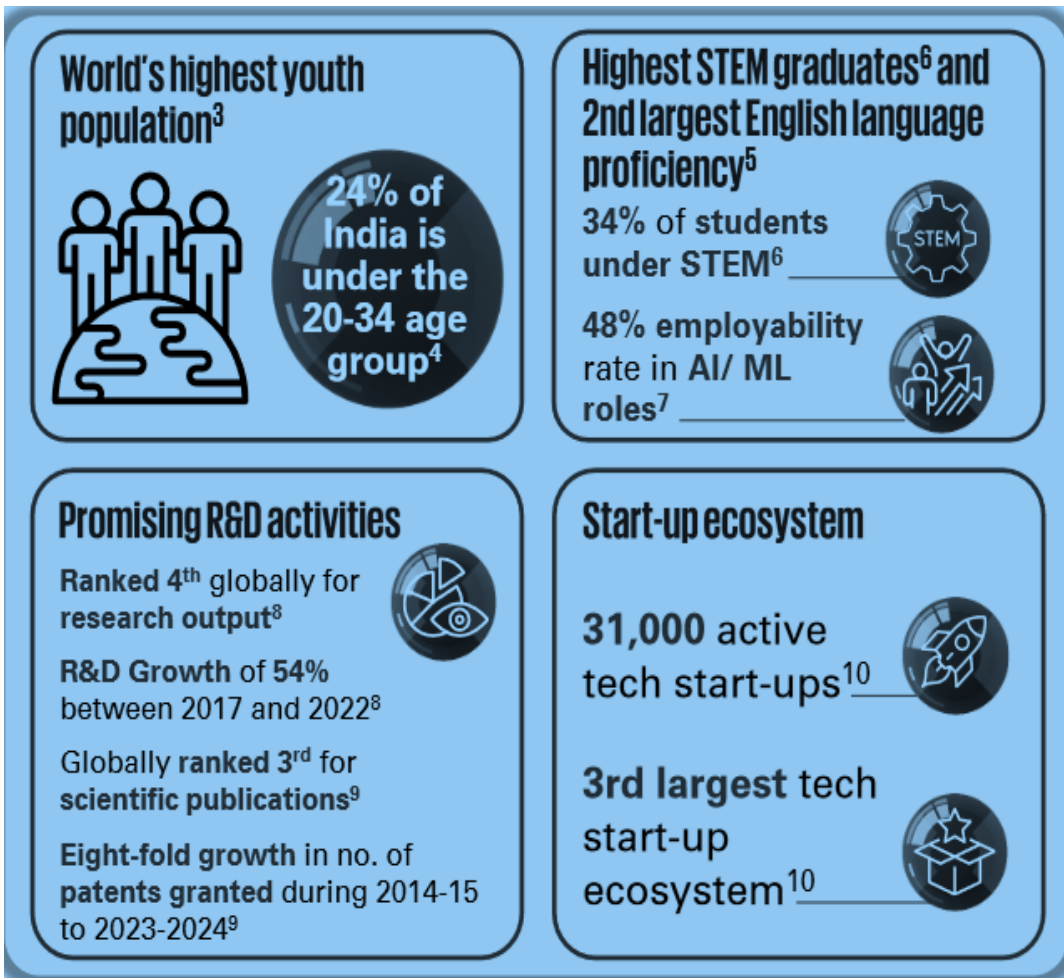
| | | India now | Vision 2047 |
|---|---|-----------------------------------|------------------------------------|
|  Railways | #1 Rail network in Asia (70,000 km+ railway track) | 8 Bn+ passengers | 20 Bn+ passengers |
|  Urban Railways | 7X Projected growth by 2047 | 700 km | 4900 km |
|  Highways | #2 Road network globally 40-50 km constructed daily | 145,000 km | 290,000 km |
|  Ports | 4X Port handling capacity by 2047 | 2,500 MMTPA+ handling capacity | 15,000 MMTPA+ handling capacity |
|  Aviation | 7X Increase in trips by 2047 | 200 Mn+ trips | 1.5 Bn+ trips |

Source : InvestIndia

Bharat@2047 - Talent & Technology Focus



Young talented workforce – Demographic dividend till 2070



Snapshot of Global Capability Centres in India



Source: NASSCOM-Zinnov 2024 - https://media.zinnov.com/wp-content/uploads/2023/08/zinnov_gcc_4.0_report.pdf

KPMG: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/05/gccs-in-india-building-resilience-for-sustainable-growth.pdf>

Continuous Reform Agenda

Union Budget 2024-25 : Big Ticket Reform Announcements

Tax Reforms

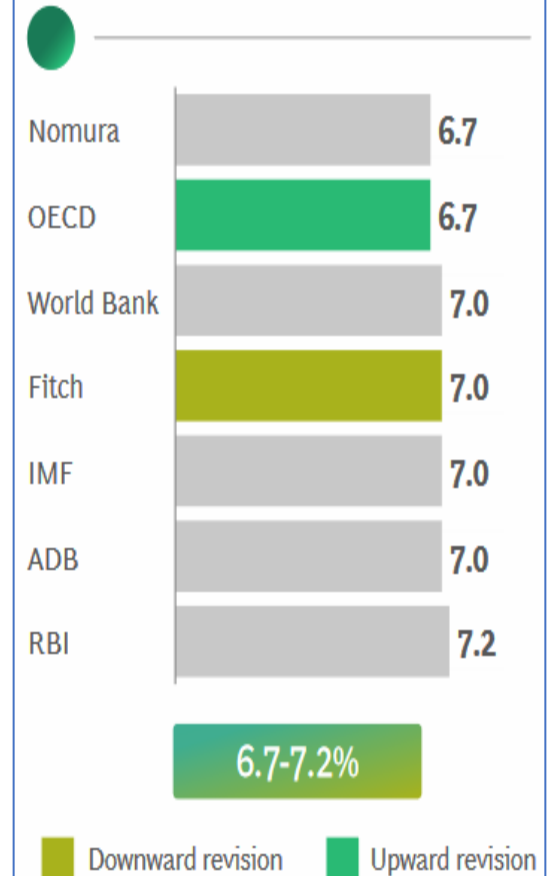
- Comprehensive review of Income Tax Act, GST & Custom Duty
- Angel Tax abolished to boost Start-ups and Investments.
- Corporate Tax on foreign companies reduced from 40% to 35 %

Policy Reforms

- FDI and Overseas Investment Regulations to be further simplified
- 3.4% of GDP for capital expenditure in FY 2024-25 (US\$ 130 bn)
- Taxonomy for climate finance

Growth Projections – FY25

Sep-Oct'24



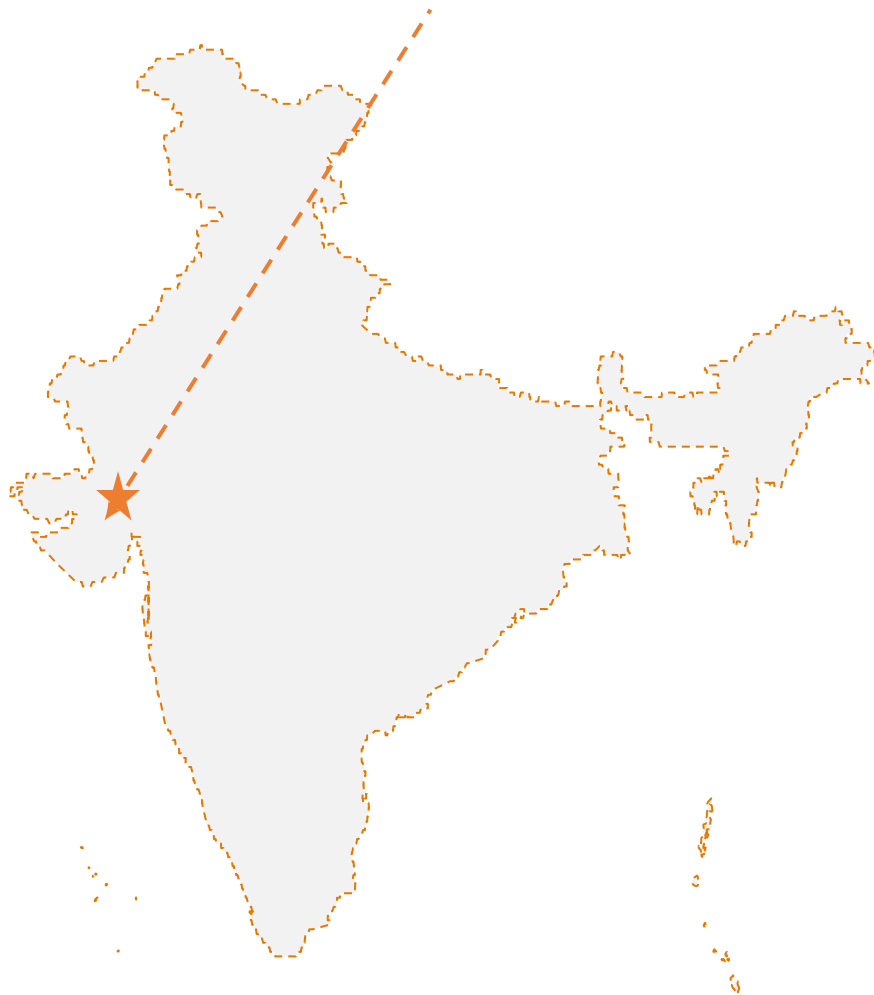
GIFT City : Global Financial Platform for ViksitBharat@ 2047

5.41



IFSC @ GIFT City, Gandhinagar, Gujarat

India's 1st Operational Smart City & IFSC



27.70 Mn Sq ft

Total development rights allotted

12.99 Mn Sq ft

Area under development

20

Operational Commercial & Residential Buildings

GIFT City is divided into two zones:

- Special Economic Zone (IFSC Zone)
- Domestic Tariff Area (Domestic area)

Greenfield smart city surrounded by Universities, IIT, IIM, etc. with over 50,000 students

IFSC in core within an SEZ and surrounded by a DTA area - Land parcel size: 886 acres

Social Infra – Metro Railway, 3 Hotels, 1 Hospital, 1 School, River front under development, etc

**'Walk to work concept' – Residential & Riverside
600 Residential units ready, more under construction**

Jurisdictional Comparison

| | Foreign jurisdiction (rest of the world) | GIFT IFSC (India) | Domestic Tariff Area (India) |
|--------------|---|---|---------------------------------|
| Jurisdiction | | | |
| FEMA | Offshore Non-Resident | Offshore Non-Resident | Onshore Resident |
| Currency | Respective Int'l Currency | 15 Currencies (INR Not Permitted) | INR denominated |
| Tax | Offshore | Tax Holiday (Tax Resident) | Taxes as applicable |
| Law | Resident's Jurisdiction | Indian Jurisdiction with <i>carveouts under various Laws</i> | Indian Jurisdiction |
| Regulators | Different for different jurisdictions | IFSCA – Unified Regulator | RBI, SEBI, IRDAI, PFRDA |

Regulatory architecture – Clean Slate Approach

Regulations Benchmarked with Global Best Practices

International Financial Services Centres Authority Act 2019

| | | | | | |
|---|---|---------------------------------------|--|--|--|
| Banking Regulations 2020 | Bullion Exchange Regulations 2020 | Global In-House Regulations 2020 | FinTech Entity Framework 2022 | Issuance and Listing of Securities Regulations, 2021 | Finance Company Regulations, 2021 |
| Market Infrastructure Institutions Regulations 2021 | Framework for Aircraft Lease 2022 | Framework for Ancillary Services 2021 | Framework for Global Corporate Treasury Centres 2021 | Fund Management (Regulations) 2022 | Capital Market Intermediaries Regulations 2021 |
| Registration of Insurance Business Regulations 2021 | Insurance Intermediary Regulations 2021 | Framework for setting up ITFS 2021 | Framework for Ship Lease 2022 | Foreign University Regulations 2022 | AML, CFT and KYC Guidelines 2022 |
| Insurance Products and Pricing Regulations 2022 | Payment & Receipt of Premium Regulations 2022 | Insurance Web Aggregator, 2022 | Investment by IFSC Insurance Office Regulations 2022 | Framework for Global Administrative Office 2022 | Re-Insurance Regulations 2023 |

Competitive tax regime

1

Tax Holiday on Business Income for 10 out of 15 years

2

Minimum Alternate Tax* @ 9%

3

No CTT**/STT**/GST**/Stamp Duty

4

Reduced Withholding Tax of 9% on interest paid on Debt Instruments

5

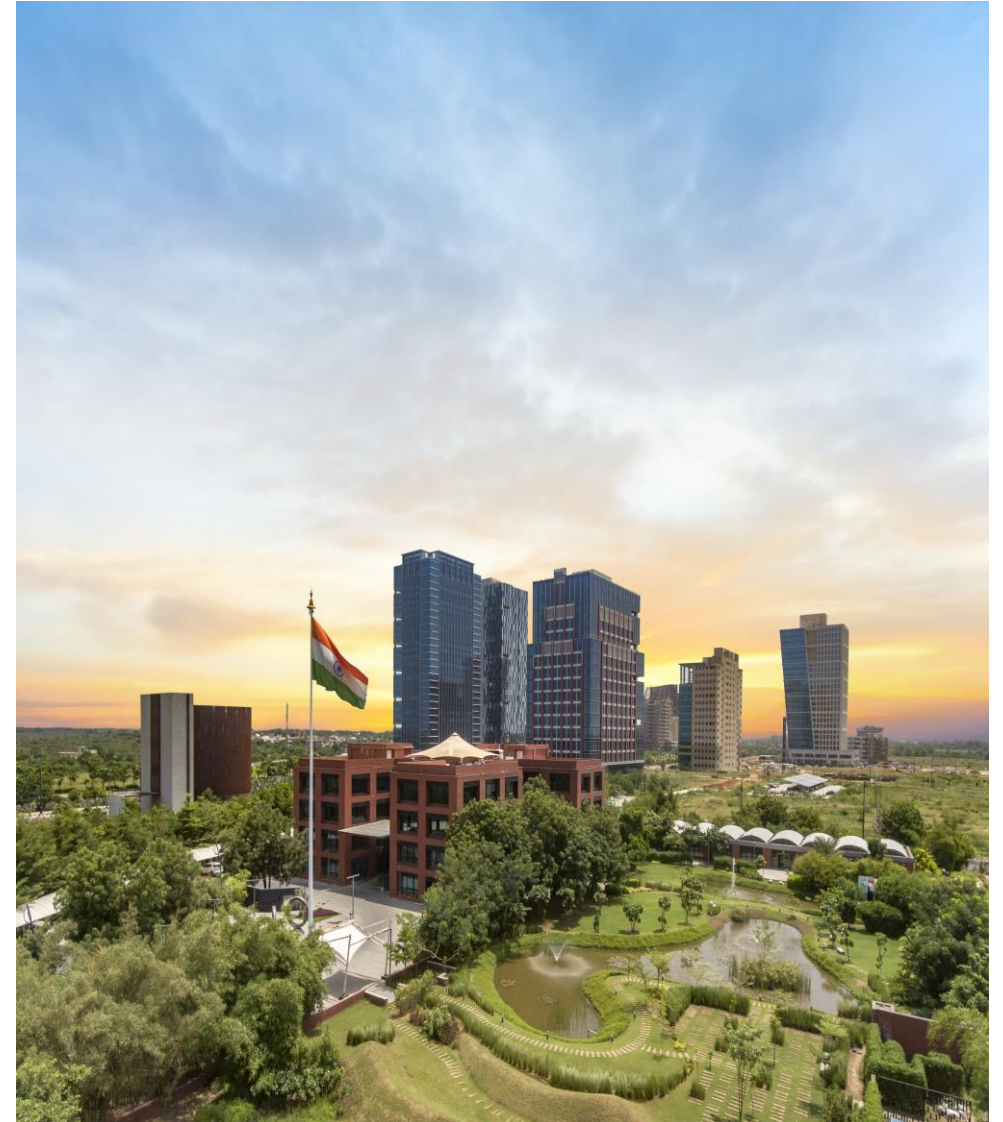
Tax concessions hardwired in Law (unlike Treaty)

6

Incentives under Gujarat IT/ITeS Policy (2022-27)

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

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



Vision for GIFT IFSC



Hon'ble Prime Minister of India
Sh. Narendra Modi

“We want to make GIFT City the Global Nerve Center of **New Age Global Financial and Technology Services**”

“GIFT IFSC's **cutting-edge digital infrastructure** provides a platform that enables businesses to increase efficiency”

“GIFT City is an important gateway to **connect India with global opportunities...**”

IFSC: Business activities licensed so far

Banking

- Indian Banks (16)
- Foreign Banks (12)
- Global Administrative Office (1)
- Representative Offices
- Payment Services (4)

Capital Markets

- Stock Exchanges (2)
- Clearing Corporation (2)
- International Depository (1)
- Broker Dealers (82)
- Investment Bankers (4)
- Custodians (5)
- Depository Participants (10)
- Clearing members (22)

Asset management

- Fund Management Entities (128)
- Alternate Investment Funds (173)
- Investment Advisers (3)
- Portfolio Managers (19)
- Distributors (10)

Insurance & Re-Insurance

- Indian & Foreign Insurer (12)
- Indian & Foreign Reinsurer (2)
- Insurance Intermediaries (23)
- Insurance Web-Aggregators

Niche Institutions

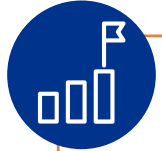
- International Bullion Exchange
- Finance Companies (6)
- Global Treasury Centre (3)
- ITFS Platform (4)
- Aircraft Leasing & Financing (32)
- Ship Leasing & Financing (16)

Emerging businesses

- Foreign Universities (2)
- Global Fintech Hub (50)
- Global in-House Centres (3)
- Professional Service Providers (78)
- Payment Service Providers (2)
- BATF Service Provider

Figures in brackets are the number of entities authorized by IFSCA

Business Highlights: GIFT IFSC



690 +

Number of IFSCA Registered*
Entities till September 2024



\$ 102 Bn

Monthly turnover on IFSC
International Stock Exchanges in
September 2024



\$ 71 + Bn

Total Banking Asset Size in
September 2024



128

Number of Funds Management
Entities registered till September
2024



\$ 64 + Bn

Cumulative Debt Listing on IFSC
Exchanges till September 2024



\$ 988 Bn

Cumulative Banking transactions till
September 2024



184

Aviation Assets leased from IFSC till
September 2024



\$ 40.6 Bn +

Total targeted corpus of
Alternative Investment Funds till
September 2024



\$ 38 Bn

Derivative transactions booked by
Banks in August 2024

Key Entities in GIFT IFSC and GIFT City

| Banking | Funds Industry | Service Provider | Other Entities | Firms in DTA |
|--|--|---|---|---|
|   |  <p>ADIA جهار أبوظبي للاستثمار Abu Dhabi Investment Authority</p> |  |  |  |
|   |  |  <p>EY Building a better working world</p> |  |  |
|   |  |  <p>cyril amarchand mangaldas advocates & solicitors</p> |  |  |
|   | <p>Morgan Stanley</p> |  |   |  |
|   |  |  <p>IQEQ Know how Know you</p> |   |  |
|   |  |  |  <p>HDFC Life HDFC INTERNATIONAL LIFE AND RE COMPANY LIMITED</p> |  |

IFSC Business Verticals

1. Funds Industry

VC Funds, Private Equity, Private Debt Funds, Hedge Funds, Sports Fund, Climate Funds, etc.

Three categories of FMEs

- Registered FME (Retail)
- Registered FME (Non-Retail)
- Authorized FME

Key Global Investors

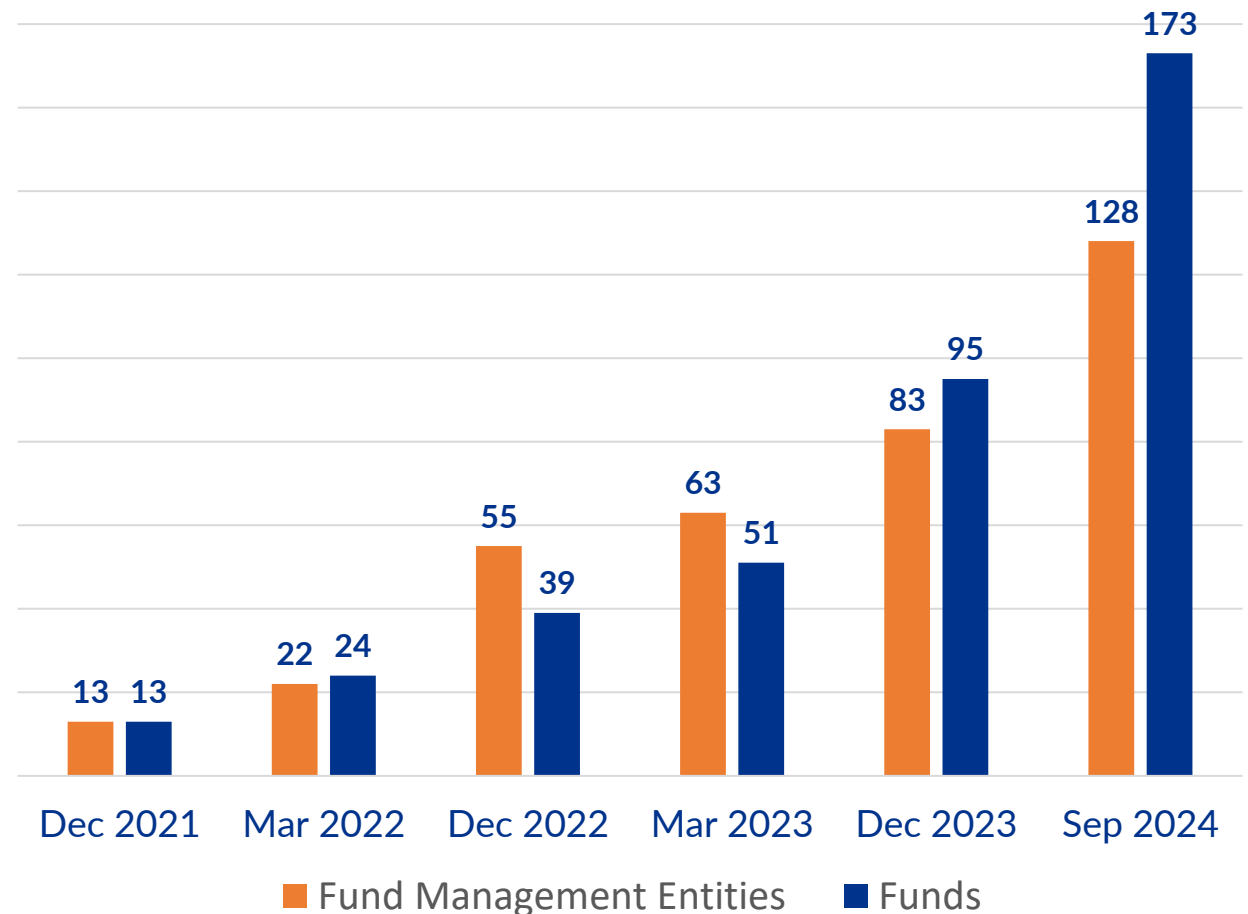
- Sovereign Wealth funds/Pension funds (ADIA, GIC, Temasek, CPPIB, OTPP), Endowment Funds, IFC, Allianz, etc.

Entire ecosystem available

- Trusteeship firms, Custodians, Fund Administrators, Law firms, Auditors etc.
- VCC structure being enabled
- PMS, Family Funds, Mutual Funds & ETFs

Funds Ecosystem in GIFT IFSC

Targeted Corpus: \$ 40.6 Bn



1. A - Fund Ecosystem in IFSC

AIFs (Venture Capital Funds, Private Equity Funds & Hedge Funds)



MULTIPLES



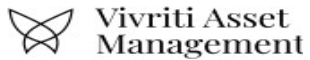
Morgan Stanley



True Beacon



INVESTCORP



CX partners



MIRAE ASSET



Portfolio Managers/Investment Advisors



Nippon Life india Asset Management Ltd



2. Global In-House Centres

USD 46 Bn

GCC market size in FY

1580

Number of GCCs in India
by 2023

1.66 Mn

GCC Headcount in India FY 23

65%

GCCs in India have HQ in USA

11.4%

CAGR between 2015 to 2023

Cost Advantage



- 10 Year Tax Holiday
- Gujarat IT/ITeS policy: Capex and Opex Incentives
- Revenue in AUD and expenses in Indian Rupee

Skilled Workforce



- India has a large talent pool of skilled professionals
- Total enrolment in Higher Education: **USD 43 Mn**
- Gujarat produces **6.3 lacs** graduates every year

City & Infrastructure



- GIFT City is a greenfield smart city
- Best in class infrastructure
- Vibrant and growing urban ecosystem
- Robust Rail, Road, Air Connectivity

Innovation ecosystem



- IFSCA GIC Regulations 2021: Regulated In-house Centre can offer differentiated services
- Co-locating with Parent's business operation.
- **BoA has set up 2200-seater GIC in GIFT IFSC**

2. A IFSCA GIC Regulations 2020

1

GIC means a unit set-up in the IFSC for providing support services, directly or indirectly, to entities within its 'financial services group', including but not limited to *banks and NBFCs, financial intermediaries, investment banks, insurance/ re-insurance companies, actuaries, brokerage firms, funds, stock exchanges, clearing houses, depositories, and custodians*, for carrying out a financial service in respect of a financial product.

2

Eligibility Criteria:

- Exclusively caters to its financial services group; entities served must be in FATF compliant jurisdictions
- Support provided should be for carrying out a financial service in respect of a financial product.
- Setup as Company or LLP or Branch or any other form of entity
- Regarded as non-resident from Indian exchange control perspective

2. B Fiscal & Non-Fiscal Incentives for GICs

Key Benefits & Incentives

Direct Tax

- 10 years of tax holidays out of the period of 15 years.
- MAT not applicable*
- Concessional withholding tax on interest income

Indirect Tax

- No GST on transactions carried out in IFSC
- Exemption from Custom Duty for goods imported in SEZ

IT/ ITeS Policy

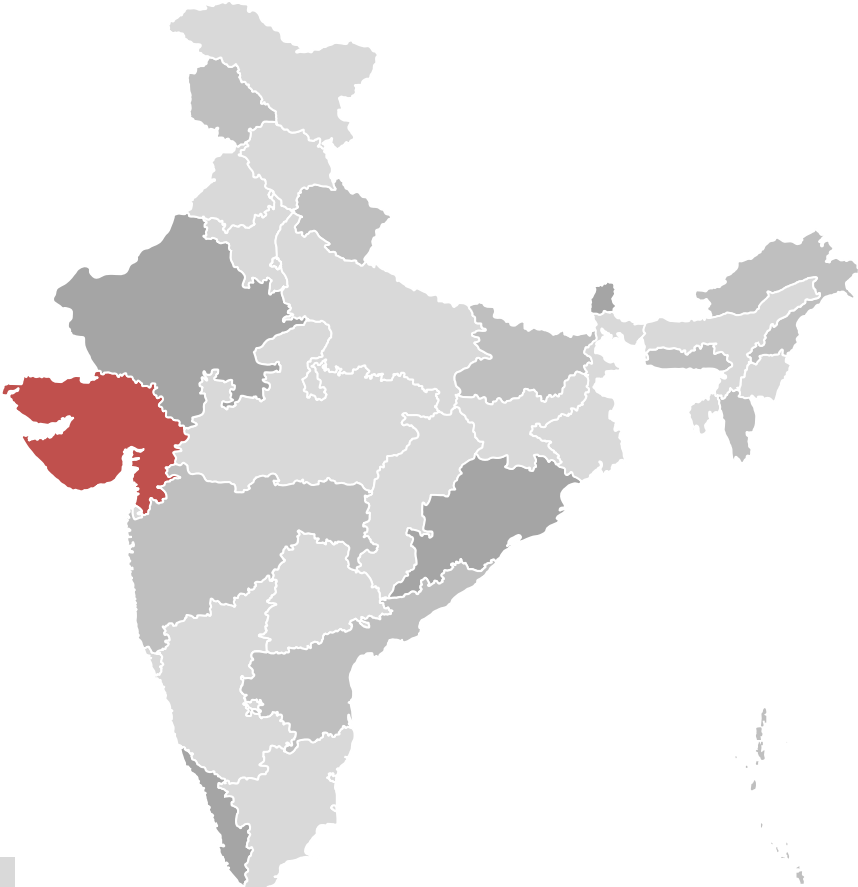
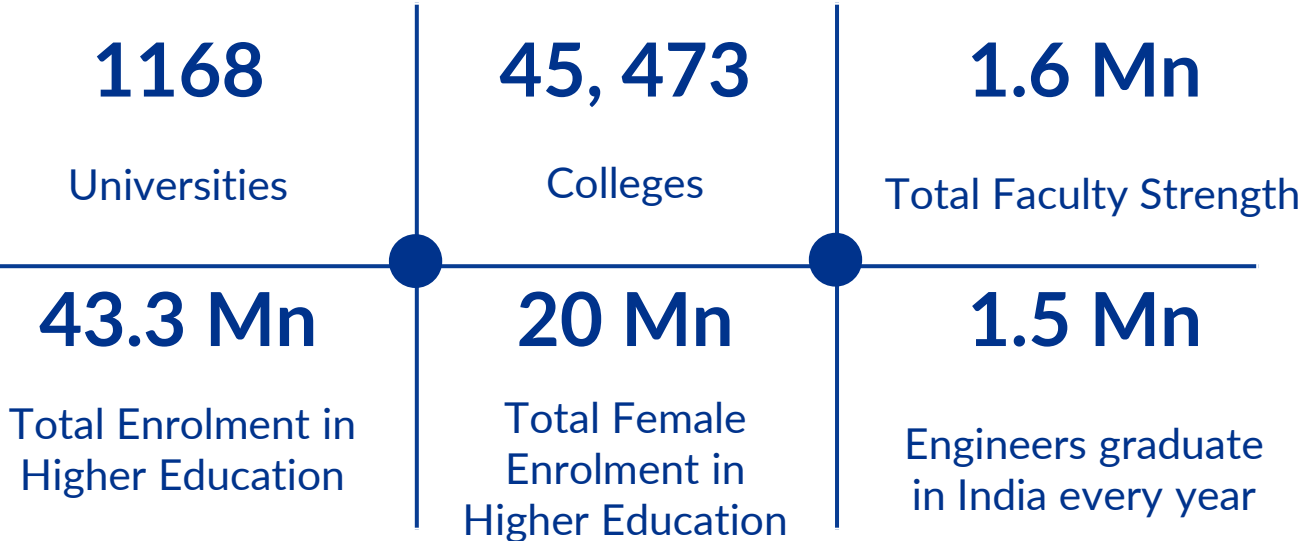
- Fiscal Incentives in the CAPEX and OPEX
- Employment Generation Incentive
- Atmanirbhar Gujarat Rojgar Sahay
- Electricity Duty Incentive

Other incentives

- Exemptions under the Companies Act, 2013
- Exemption from STT/CTT
- No Stamp Duty

2. C Talent Advantage

Higher Education Landscape and Fresh Talent Pool in India



Key Universities around GIFT City

DEAKIN UNIVERSITY

UNIVERSITY OF WOLLONGONG AUSTRALIA

IIFT INDIAN INSTITUTE OF FOREIGN TRADE

NIRMA UNIVERSITY INSTITUTE OF MANAGEMENT NAAC ACCREDITED 'A' GRADE

IITM AHMEDABAD

IIT Gandhinagar Indian Institute of Technology Gandhinagar

3. India poised to become “Global Accounting Hub for the World”

Large Talent Pool

- 4 Lac Chartered Accountants
- 73 k Company Secretaries
- 1.5 Mn Engineers graduates every year

Operational Efficiency

- Globally competitive labour cost
- Lower operational expenses

Digital Infrastructure

- 4th exporter of digitally delivered services
- 3rd largest digitalized country in the world
- 1st in Fintech adoption rate

Language Proficiency

- Proficiency in English Language

Global Standards

- International qualifications: CPA and ACCA
- Expertise in international accounting standards-IFRS & GAAP

Industry Expertise

- 1500+ Global Capability Centers in India
- Large Accounting firms catering to global clients

GIFT IFSC: Emerging as “Global Finance & Accounting Hub”

IFSCA notified Book-keeping, Accounting, Taxation, Financial Crime Compliance Regulations 2024

Tax Advantage

Cost Advantage

Talent Advantage

3.A - BATF Regulations 2024

Key Definitions

| Accounting Service | Book-Keeping Service | Taxation Services | Financial Crime Compliance |
|--|--|--|---|
| <ul style="list-style-type: none">• Preparation of financial statements• Compilation of financial statements from information provided by the client• Reviewing annual and interim financial statements or other accounting information• Analysis of financial statements; etc. | <ul style="list-style-type: none">• Classifying and recording transactions including payroll ledgers in terms of money or any other unit of measurement in books of account or other related documents | <ul style="list-style-type: none">• Tax Consultation• Tax Planning• Preparing and filing of tax returns of all kinds• Advice and guiding concerning taxes | <ul style="list-style-type: none">• Services rendered in relation to compliances of Anti-Money Laundering (AML) / Countering the Financing of Terrorism (CFT) measures and Financial Action Task Force (FATF) recommendations |

2.B - BATF Regulations: Key Operational Criteria

1

Entity Structure

- BATF Service Provider can be set up as:
 - 1) Company
 - 2) Limited Liability Partnership

2

Key Managerial Personnel/Workforce

- Appointment of KMPs:
 - a) Principal Officer
 - b) Compliance Officer
- Relocation of workforce from any group entities in India capped at 20% of the total workforce in GIFT IFSC Entity

3

Currency of operation

- 15 Specified foreign currency (viz. aud, USD, GBP, Euro, SGD, AED etc.) for business transactions
- INR for routine administrative & statutory expenses
- Balance Sheet in Specified Foreign Currency

4

Reporting requirement

- Information in prescribed form
- Financial Reporting in USD
- Certificate from independent professionals (CA, CS and CMA) regarding compliance with BATF regulations

5

Service Receipt

- BATF services can be provided to any non-resident client

3. FinTech Entity (FE) Regulatory Framework

Unique Regulatory Framework for FinTechs and TechFins

- Issuance of **Authorization** (Direct Entry) for mature TechFin & FinTech Firms
- Issuance of Limited Use Authorization (LUA) for Sandbox Entry

1

FinTech Definition:

Provide a financial technology (FinTech) solution which results in new business models, applications, process, or products in financial services regulated by the Authority,

2

TechFin Definition:

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

3.A- FE Framework: TechFin (Horizontal Specific)

Agri Tech

Regulatory Tech

Climate/Green/Sustainable Tech

Accelerators

Supervisory Tech

Defence Tech

Space Tech

Technology solution supporting Digital banking

Technology solution aiding Trade Finance

3.B- FE Framework: TechFin (Horizontal Specific)

Solutions/services for BFSI domain leveraging:

Artificial Intelligence /
Machine Learning (AI/ML)

Chatbots

Distributed Technology Ledger

Longevity Finance

Big Data

Cyber security

Fraud detection/prevention

Metaverse including
Augmented Reality/ Virtual
Reality

Web 3.0

Biometrics

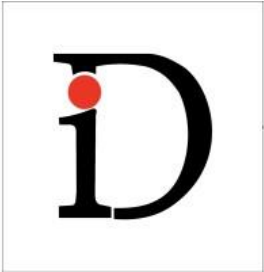
Digital
Identity/KYC/AML/CFT

Internet of Things (IOT)

Quantum Tech

TechFin Gaining Momentum

TechFins Authorized by IFSCA under FE Framework



GIFT City events

2024 Events Calendar

| S. No. | Event | Date |
|--------|---|--------------------------------|
| 1 | IFSC Talent Summit | 15 th November 2024 |
| 2 | GIFT IFSC Wealth Management Conference | 22 nd November 2024 |
| 3 | GIFT IFSC Global Capital Markets Conference | 16 & 17 January 2024 |
| 4 | IFSCA IRDAI GIFT Global Reinsurance Summit | 20 th January 2025 |
| 5 | Climate and Transition Finance Colloquium | 25 th January 2025 |
| 6 | Public Sector Enterprises Conference | Feb 2025 |

GLOBAL CEO SUMMIT

9th January 2025

**Journey, Leadership and Opportunities
for a \$7 Trillion Economy by 2030**

**INFINITY
FORUM
3.0**

GIFT City, Gandhinagar, Gujarat

Thank You !



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