

GIFT City achieving key milestones, gaining global traction

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In just five years since inception, the International Financial Services Centres Authority (IFSCA) has crossed major milestones. It has surpassed 1,000 registrations and achieved over \$100 billion in banking assets at Gujarat International Finance Tec-City (GIFT City).

At a panel discussion titled, 'Has the GIFT-IFSC truly arrived?' moderated by Khushboo Tiwari of *Business Standard*, experts said the international financial hub has evolved beyond banking, insurance, and capital markets. There are now over 35 active business segments operating in the centre.

Dipesh Shah, executive director, IFSCA, said the time was ripe for GIFT City to be seen alongside global peers, such as Dubai International Financial Centre (DIFC) and Singapore.

"I would definitely answer positively that GIFT City has arrived. It is now in everyone's interest to make it comparable to Singapore and other global financial centres — rapidly and decisively," Shah said.

The financial hub is also attracting foreign companies exploring direct listings on its international exchanges.

"We've been doing roadshows over the past year to engage companies looking to raise between \$50 million and \$200 million. Even some Silicon Valley firms are in talks with us," said V Balasubramaniam, managing director (MD) & chief executive officer (CEO), NSE International Exchange.

He added that such offerings fill a gap for mid-sized listings that often struggle to find space in the US market, where initial public offerings (IPOs) typically exceed \$1 billion in size.

NSE International Exchange recently recorded its highest-ever monthly turnover of \$103 billion, surpassing the previous peak in May.

Balasubramaniam said that traders increasingly use the GIFT Nifty index as a key barometer for post-market movements and investor sentiment in Indian equities.

Praising IFSCA's market-friendly approach, Revati Kasture, CEO of CareEdge Global IFSC, said the regulatory environment has created new opportunities for financial innovation.

"We began operations in October 2024 by offering ratings across 39 countries. The idea was to bring an emerging-market perspective to global ratings, which has long been dominated by US-based agencies," she said.

Kasture added that in 17 of those 39 markets, global rating agencies later revised their views in a direction consistent with CareEdge's ratings — validating the model's relevance.

While favourable tax policies have helped accelerate activity at GIFT City, experts urged the government to extend the existing 10-year tax holiday.

"There's a clear case for extension," said Tushar Sachade, Partner, Price Waterhouse & Co LLP. "Providing 15–20 years of certainty would offer businesses a long-term horizon and greater confidence in setting up operations."

Sachade also called for clarity in the next Union Budget on taxation rules for certain categories of funds, particularly outbound schemes. "Unlike inbound structures, outbound public funds lack a defined tax regime and currently rely on the trust taxation framework. We also need clear safe-harbour norms," he added.

Experts highlighted that IFSCA oper-



(From left) V Balasubramaniam, MD & CEO, NSE International Exchange; Revati Kasture, CEO, CareEdge Global IFSC; Tushar Sachade, partner, PwC; Dipesh Shah, ED, IFSCA

ates with full policy autonomy and globally aligned regulations.

"If an Indian entity regulated by a domestic agency wants to operate in GIFT City, it needs a no-objection certificate from that regulator. But for foreign firms, the licensing process is direct with IFSCA," said Shah, citing the example of a Taiwanese bank setting up operations

without an India presence.

Agreeing with this, Kasture added: "Some products not permitted in the domestic market, such as private credit ratings, are allowed at GIFT. The regulatory philosophy is international, not domestic."

Balasubramaniam further said that the introduction of zero-day expiry

contracts on GIFT Nifty aligns with global standards and "should not be seen through a domestic-market lens."

He also highlighted the proposed Global Access Provider framework, designed to enable investors and institutions in GIFT City to access a wider range of overseas assets and products.

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