

TT Alert

January 2024

Unlocking New Horizons: Ministry of Finance expands IFSC opportunities through diversified services

- As per the International Financial Services Centres Authority Act, 2019 a financial unit in IFSC which is engaged in financial services can provide services in respect of financial product such as securities, contract of insurance, deposit, credit arrangements, foreign currency contracts, other products as may be notified by Central Government from time to time.
- The Ministry of Finance, through a Gazette notification on January 18, 2024, has widened the scope of permissible activities forming part of financial services within International Financial Services Centers (IFSC).
- According to the notification, units within IFSC are now authorized to offer services such as:
 - Book-keeping services
 - Accounting services
 - Taxation services
 - Financial crime compliance services¹
- However, such units can only provide these services whose businesses are not established in India through the splitting up, reconstructing, or reorganizing of an existing business in India.
- Additionally, the notification stipulates that these units should not offer services by way of transferring or receiving existing contracts or work arrangements from their group entities in India

¹ "Financial crime compliance services" shall include 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, and other related activities

RBSA Comments

The Ministry of Finance recent gazette notification marks a significant milestone in the evolution of International Financial Services Centers (IFSC), broadening the spectrum of permissible financial services.

The inclusion of financial crime compliance services is a unique offering and will help create opportunities and attract global talent. Also, services like book-keeping, accounting & taxation, not only enhances the offerings within IFSC but also aids in fostering a globally competitive financial ecosystem. This strategic expansion reflects a forward-looking approach, positioning IFSC as a dynamic hub for international financial services.

This move will encourage a large number of firms, ranging from accounting to tax consultancy, to leverage the IFSC's cutting-edge facilities and promote export of services.

The Alert is of general nature only and should not be considered as any legal or tax advice. The Reader should not take any decision basis the information contained in this Alert and should be seeking a prior professional advice on the matters covered by the Alert. Neither RBSA Advisors LLP nor any individual associated with this Alert should be considered as making any representation or warranty with respect to its accuracy or completeness, and under no circumstances would RBSA Advisors LLP or any individuals associated with this alert be liable for any loss caused to any third party relying on any view or statement made in this Alert, without entering into a formal Engagement Letter. The views provided in the Alert are those of the Preparer only and are subject to change without notice. The Alert shall not be copied, reproduced, or further distributed by the Recipients.

RBSA Advisors has consistently been ranked amongst the leading Merger & Acquisition Advisory Firms in the league table by both MergerMarkets and Venture Intelligence

For any further details or questions, please contact us:

India Offices

Ravi Mehta
Managing Director & Head
Transaction Tax
ravi.mehta@rbsa.in
+91 22 6130 6052

Amrita Bhatnagar
Director
Transaction Tax
amrita.bhatnagar@rbsa.in
+91 22 6130 6071

Ankit Shah
Director
Transaction Tax
ankit.shah@rbsa.in
+91 22 6130 6004

Aijaz Shaikh
Manager
Transaction Tax
aijaz.shaikh@rbsa.in
+91 22 6130 6008

Meghna Waghela
Associate
Transaction Tax
meghna.waghela@rbsa.in
+91 22 6130 6040

enquiry@rbsa.in
www.rbsa.in

Mumbai

1121, Building No. 11, 2nd Floor,
Solitaire Corporate Park, Chakala,
Andheri Kurla Road, Andheri (E),
Mumbai - 400 093
Tel: +91 22 6130 6000

Ahmedabad

912, Venus Atlantis Corporate Park,
Anand Nagar Road, Prahladnagar,
Ahmedabad - 380 015
M: +91 97243 44445
Tel: +91 79 4050 6000

Gift City (IFSC)

Unit No. 16, Office No. 7,
Wing D GIFT Aspire 3,
Block 12, Road 1-D, GIFT SEZ,
Gandhinagar - 382 355
M: +91 97243 43847

Delhi NCR

4th Floor, Tower 4B,
DLF Corporate Park
Gurugram - Delhi NCR
Haryana - 122 002
Tel: +91 124 694 1100

Bengaluru

104, 1st Floor, Sufiya Elite,
#18, Cunningham Road,
Near Sigma Mall,
Bengaluru - 560 052
M: +91 97435 50600
Tel: +91 80 4112 8593

Hyderabad

6-3-248/B/1,
4th Floor, Dhruv Arcade,
Road Number 1, Banjara Hills,
Lane opp. Kotak Bank,
Hyderabad - 500034
M: +91 90526 60300

Global Offices

Dubai

2001-01, Level 20, 48 Burj Gate Tower,
Downtown, Sheikh Zayed Road,
PO Box 29734, Dubai, UAE
M: +971 52 382 2367
+971 52 617 3699
Tel: +971 4518 2608
Email: dubai@rbsa.in

Abu Dhabi

Unit No. 119, Floor 01, Remah Tower,
Zayed The First Street, Al Hosn,
P O Box 44622, Abu Dhabi
M: +971 52 382 2367
Email: abudhabi@rbsa.in

Singapore

6001 Beach Road,
#22-01 Golden Mile Tower,
Singapore - 199589
Email: singapore@rbsa.in

