
FAQs - General

1. What is Gujarat International Finance Tec-City (GIFT City)?

GIFT City is being developed as a global financial and IT Services hub, a first of its kind in India, designed to be at par or above with globally benchmarked financial centres. GIFT's Master Plan facilitates Multi Services Special Economic Zone (SEZ) with International Financial Services Centre (IFSC) status, Domestic Finance Centre and the associated Social infrastructure. "GIFT SEZ Limited" has been formed by Gujarat International Finance Tec-City Company Limited (GIFTCL) for the development of Multi Services SEZ at Gandhinagar with the prime focus being the development of IFSC and allied activities in SEZ.

2. What is the purpose of setting up the GIFT City?

The purpose of setting up the GIFT City is to develop a world-class smart city that becomes a global financial hub with the development of an IFSC. GIFT City is a central business hub with state-of-the-art infrastructure and first of its kind operational smart city in India. GIFT City is home to domestic and international, financial services and IT/ ITES sectors.

3. Who are the promoting entities of GIFT City?

Gujarat Urban Development Company Limited (GUDCL)

GUDCL is the designated agency of the Government of Gujarat to facilitate urban development by assisting the state government and other agencies to formulate policy, institutional capacity building, project implementation and to assist in raising funds from multilateral agencies for various projects to facilitate the sustainable development of urban areas, both new and existing, in order to achieve high living standards and growth of economic activities.

4. What are the existing infrastructure facilities available at GIFT City?

GIFT City is an integrated development on 886 acres of land with a plan to develop 62 million sq. ft. of Built Up area constituted of commercial space of 67%, residential space of 22% and social space of 11%. Which includes Ultra-Modern Office spaces, Residential Apartments, Schools, Proposed Hospital, Five-star Hotels, Business Club, various recreational amenities, making this City a truly "Walk to Work" City.

In addition to this GIFT City houses state-of-the-art towers and Two of them are amongst the tallest buildings in the state of Gujarat.

Following are some of the unique infrastructure operational at GIFT City:

- **Data Centre:** A state-of-the-art certified TIER IV Green Data Centre by Tata Communications with a capacity of 900 racks is up and running.
- **Automated Waste Collection System (AWCS):** AWCS and Segregation Plant is one of the unique next class infrastructures planned in GIFT City. It will maximise resource recovery and minimise emissions, minimise impact on environment, human intervention, space requirement, impact on health hazard GIFT City has no waste visibility that will make the city clean, green, and healthy.

- **Water:** GIFT City is a zero-discharge city with inhouse water treatment plant managed by GIFT City. Water is drinkable from any tap.
- **Power:** GIFT City ensures 99.999% power reliability.
- **ICT:** GIFT City is connected with a fault-tolerant optical fibre ring infrastructure. The connectivity in GIFT City is provided by four major telecommunication service providers. GIFT uses advancements in technology in the form of unique Internet of Things (IoT) based C-4 (City & Command Control Centre) to monitor and manage city Infrastructure.
- **District Cooling System:** District Cooling System has been introduced for the first time in India for commercial use. The chilled water will be supplied till building level, and it will reduce energy and maintenance cost, reduce noise and vibrations, and improve cooling quality.
- **Utility Tunnel:** All utility services except gas and sewage from plants to various buildings will be routed through the utility tunnel only. GIFT has planned to develop a Utility Tunnel throughout the city including Domestic Tariff Area (DTA) & SEZ areas.

5. Which are the commercial buildings available in the GIFT Domestic area and buildings under construction?

Currently, GIFT ONE and GIFT TWO, each having 28 floors, are ready and available for use.

The other properties in the Domestic area under various stages of development and completion are as follows:

- Brigade Group
- Prestige Group FinTech Centre
- B. U. Bhandari Landmarks
- Janaadhar Mangala Aspirational Housing (Affordable housing)
- State Bank of India Self occupied for corporate office
- Life Insurance Corporation of India (LIC) Self occupied for corporate office
- BSE Brokers Forum
- Sterling Hospital (Proposed)
- World Trade Centre (WTC) Ready possession

6. Can we carry out domestic transactions from GIFT City?

GIFT City has two Zones:

1. Domestic Tariff Area (DTA)
2. Multiservice Special Economic Zone (SEZ)

All the domestic (Rupee-denominated) transactions can be undertaken from DTA.

7. Type of companies operating in commercial buildings in GIFT domestic area

GIFT City is home to various services industry including Banks, Insurance companies, Capital markets stockbroker's community, IT & ITeS companies, BPO, KPO as a cost effective go to destination for uninterrupted operations

Some of the notable companies operating from GIFT ONE Tower and GIFT TWO Tower of the GIFT City Domestic area are TCS, Oracle, Bank of Baroda, Maxim Integrated, Bank of India, Syndicate Bank, nCode Solution, Infibeam, etc.

8. Is there any internal transport facility for the use of the general public?

GIFT City has good transport connectivity internally and also connected to different parts Gandhinagar and nearby Ahmedabad City thru various modes of public transport.

GIFT city also runs bus services within the city at regular intervals for the visitors, commuters.

GIFT city transport buses also connect GIFT City to key transit points between Gandhinagar and Ahmedabad for commuters.

9. How is the quality of life in GIFT City?

GIFT City is an integrated development on 886 acres of land with a plan to develop 62 million sq. ft. of Built Up area constituted of commercial space of 67%, residential space of 22% and social space of 11%. Which includes Ultra-Modern Office spaces, Residential Apartments, Schools, Hospitals, Hotels, Business Club, various recreational amenities, making this City a truly "Walk to Work" City.

Social infrastructure in the city includes an International school, Medical facilities, Proposed hospital, International exhibition complex, GIFT City Business club with Indoor and outdoor sports facility, recreation area, multi cuisine restaurants. It also includes accommodation facility at 5-Star hotels and integrated well-planned residential housing projects.

10. Is any school operational in the GIFT City?

Yes, Jamnabai Narsee Monjee School (ICSE Board) is operational in the GIFT City.

11. What are the social facilities planned in GIFT City?

GIFT City Business Club provides a great facility for various indoor and outdoor sports activities; 24*7 Restaurant; state of the art Gymnasium; and also, facilities for organising conferences, meetings, and workshops. Please visit <http://www.thegic.in/> for more details about the GIFT City Club.

12. What are the social facilities available nearby GIFT City?

Prestigious Educational Institutes: Dhirubhai Ambani Institute of Information and Communication Technology - Gandhinagar (DAICC), National Institute Of Fashion Technology Gandhinagar (NIFT), National Institute of Design-Ahmedabad (NID), IIT-Gandhinagar, Indian Institute of Management-Ahmedabad (IIM-A) located 30 km away , Gujarat National Law University (10 km), Pandit Din Dayal Petroleum University and Gujarat Institute of Disaster Management (GIDM) near GIFT City-Gandhinagar.

Schools: Podar International School; Delhi Public School (DPS); and many other renowned schools are present with State, CBSE, ICSE and IB boards as mode of education.

In the vicinity of GIFT City one can find Clubs, plethora of Hotels, Fine dining Restaurants, Theatres, Mega Malls, supermarkets, Places of worships, Historic Temples, Parks etc.

Please visit our page <http://www.giftgujarat.in/city-guide> on the City guide for more details

GIFT SEZ LTD. and IFSC RELATED QUESTIONNAIRE

13. What is an IFSC?

IFSC Stands for International Financial Services Centre (IFSC)

An IFSC caters to the customers outside the jurisdiction of domestic economy. Such centres deal with the flow of finance, financial products, and services across the borders.

IFSC as envisaged under the Indian context “is a jurisdiction that provides financial services to non-residents and residents (Institutions), in foreign currency other than Indian Rupee (INR)” IFSC is set-up to undertake financial services transactions that are currently carried on outside India by overseas financial institutions and overseas branches/ subsidiaries of Indian financial institutions

14. Where in India have IFSCs been permitted?

An IFSC is approved and regulated by the Government of India under the Special Economic Zones Act, 2005.

GIFT SEZ Limited (“GIFT SEZ”) has been formed by the GIFTCL for development of Multi Services SEZ at Gandhinagar with a prime focus on development of IFSC and allied activities in SEZ. The GIFT SEZ has been set up in accordance with the Special Economic Zones Act, 2005 (“SEZ Act”), Special Economic Zone Rules, 2006 (“SEZ Rules”) and the regulations made thereunder and has also notified this zone as India’s first IFSC followed by various regulations issued by competent authorities to operationalise the same.

15. What is the aim of setting up an IFSC in India?

The IFSC in GIFT City (GIFT IFSC) seeks to bring back those financial services transactions that are currently carried on outside India by overseas financial institutions and overseas branches/ subsidiaries of Indian financial institutions to the Indian shores. Specifically, it seeks to bring them to a centre that has been designated for all practical purposes as a location having the same eco system advantage as their present offshore location, which is physically in India.

IFSC would also compliment and promote further development of financial markets in India.

Strategic objectives of setting up the IFSC are as follows:

- To realise the vision of the Government of India to emerge as a major economic power by facilitating the development of a strong base of International Financial Services in the country.
- To facilitate the implementation of the Government’s strategy for the development of a financial hub in the South Asian sub-continent.
- To position IFSC as a world-class zone for the long-term provision of office/ service accommodation and high technological, economic and commercial infrastructure.
- To bring financial service experts sitting offshore back to Indian shores and transform India as a talent hub.

16. Where in India have IFSCs been permitted?

GIFT City is India’s only approved IFSC located in the capital city of Gandhinagar, State of Gujarat.

17. Why Gujarat?

The State of Gujarat has emerged as the fastest growing region in the country with an annual Gross State Domestic Product of over 14% per annum over the past 10 years. In addition to housing one of the largest manufacturing bases in India, Gujarat also accounts for a disproportionately large share of the investor and entrepreneurial population in the country. A recently conducted talent study

established that the labour pool available in Gujarat, including non-resident Gujarati population, is among the largest pool of available talent in the country.

Recognising the potential of the State as a centre for the financial services industry, the GIFT Project has been formulated as mega project to realise this vision of setting up an IFSC in India.

18. What are the benefits of setting up operations in GIFT IFSC?

GIFT IFSC provides numerous benefits to the entities setting up operations. Key benefits are as follows:

- State-of-the-art infrastructure at par with other global financial centres
- Fiscal incentives in the form of exemptions and concessions — Liberal tax regime for 10 years, Gujarat state subsidies and incentives for Capital markets, IT& ITes industry
- Lower operating costs
- International dispute resolution mechanism through Singapore International Arbitration Centre
- Robust regulatory and legal environment
- Integrated ecosystem of banks, insurance, capital markets, law firms and consultancy firms
- A wholly transparent operating environment, complying with global best practices and internationally accepted laws and regulatory processes
- Availability of skilled professionals
- A modern transport, communications and internet infrastructure
- Only place in India that allows offshore transactions

19. Is the IFSC similar to IT SEZs?

IT companies do not require approval from any regulator, whereas banks, insurance companies and capital market entities require approval from the IFSC Authority (“IFSCA”), a Unified Regulator who have assumed power over various Regulators such as the RBI, the Insurance Regulatory and Development Authority (IRDAI) and Securities and Exchange Board of India (SEBI) for the IFSC jurisdiction.

Further, to elaborate, the Gol had approved the establishment of a unified authority for regulating all financial services in IFSCs through International Financial Services Centres Authority Bill, 2019 (“IFSC Authority Bill”).

The IFSC Authority Bill received assent from the President of India on December 19, 2019 and has accordingly been formalized into International Financial Services Centres Authority Act, 2019 (“IFSC Authority Act”). The IFSC Authority Act sets up a unified authority to act as a single window for regulating various financial activities in the IFSC.

Further Government of India appointed 27th April 2020 as the Date of the establishment of the IFSC Authority with head office in GIFT City, Gandhinagar followed by appointment of IFSCA Chairman in July 2020. The IFSCA assumed power over the various regulators as on 01 October 2020.

20. Are IT units and IFSC units allowed to operate from the same zone (SEZ) of the GIFT City?

Yes, IT companies and IFSC units can operate from the same zone, GIFT SEZ. IT companies require approval from the Development Commissioner, KASEZ only and can start operating post SEZ approval in the form of Letter of Approval (LOA).

21. What will be the currency in the IFSC?

All the transactions undertaken by the units in IFSC should be in foreign currency [other than Indian Rupees (INR)]. However, IFSC units can carry out administrative and statutory expenses in INR.

22. Is the IFSC regulated?

In India, an IFSC has to be approved by the Central Government under the SEZ Act, 2005 and is also governed by several Financial Services regulators such as RBI, SEBI and IRDAI.

On 19 December 2019, the IFSC Authority Act, 2019 was enacted to provide for the establishment of a Unified regulatory authority to develop and regulate the financial services market in GIFT IFSC.

The IFSCA was established by the Central Government recently on 27 April 2020. The IFSCA shall have its headquarters at Gandhinagar, Gujarat. With this Gujarat will host first regulator in the state.

23. Who can be participants in the IFSC?

The financial institutions defined under the IFSC Authority Act are allowed to setup a unit in the IFSC. The financial institution is defined to mean a unit set up in an International Financial Services Centre and which is engaged in rendering financial services in respect of any financial product. The list of financial product and services have been provided in the IFSC Authority Act and circulars issued therein.

The following key financial institutions are permitted to set up an IFSC unit:

- **Banking Sector –**
 - Indian banks
 - Foreign banks (including such banks not having banking presence in India) Representative office (Regulatory framework for the same to be prescribed)

- **Insurance Sector**
 - Indian Insurer
 - Indian Reinsurer
 - Indian Broker
 - Foreign Insurer
 - Foreign Reinsurer

- **Capital Market**
 - Stock Exchanges/ Commodity Exchanges
 - Clearing Corporation
 - Depository
 - Stockbrokers, Trading members
 - Investment Adviser
 - Portfolio Management services provider (guidelines awaited)
 - Alternate Investment Fund (AIF)
 - Mutual Fund (guidelines awaited)
 - Any other intermediary permitted by SEBI

- **Aircraft lessors**
- **Global in-House Centres**

- **Institution dealing in bullion products**

24. Which entities have started operations from the GIFT IFSC?

Presently, there are 14 banks including a foreign bank, 17 insurance firms and approximately 100 capital market entities have set up office in the GIFT IFSC. There are Two international exchanges operational from this zone and runs 22 hours a day. Details of the key institutions are as follows:

Banks: State Bank of India, ICICI Bank, HDFC Bank, IDBI Bank, Yes Bank, IndusInd Bank, Federal Bank, Kotak Mahindra Bank, Bank of Baroda, RBL Bank, Axis Bank, Indian Bank and Standard Chartered Bank, HSBC Bank

Insurance: New India Assurance (Direct Insurance), GIC Re (Reinsurance), ECGC, National Insurance and approximately 13 Insurance intermediaries.

Capital Market: India INX (International Exchange), NSE IFSC (International Exchange) along with their Clearing Corporation. Intermediaries such as Edelweiss Financial Services, IIFL Securities, Globe Capital, Philip Capital, Motilal Oswal, etc.

Alternate Investment Funds (AIF), Investment Advisors, Custodian, Depositories, Trustee companies, clearing banks are also part of the capital markets ecosystem.

IT/ ITeS, Consultancy Units: J Sagar (Law firm), Be Free, Moon SEZ Consultants, Exemplary Consultants, Cybage (IT company) and many other IT/ ITeS firms are operating out of SEZ zone for exports of various services.

25. What are the news concepts recently introduced in IFSC?

- **Global In-House Centres**

Global In-House Centre” means a unit set up in the International Financial Services Centre for providing support services, directly or indirectly, to entities within its financial services group entities, for carrying out a financial service in respect of a financial product.

- **Regulatory Sandbox for FinTech companies**

Under this sandbox framework, entities operating in the capital market, banking, insurance and financial services space shall be granted certain facilities and flexibilities to experiment with FinTech solutions in a live environment with a limited set of real customers for a limited time frame.

The regulatory framework for Global In-house Centres and Regulatory Sandbox have been notified and can be downloaded from <http://www.giftgujarat.in/download.aspx>.

- **Aircraft leasing**

The Department of Economic Affairs (DEA) has recently notified that operating lease and financial lease and any hybrid of operating and financial lease of aircraft or helicopter and engines of aircraft or helicopter or any other parts will be treated as “financial product” under the existing legal framework for IFSCs in the country.

26. What is the eligibility criteria for getting registered as Global In-House Centres?

An applicant desirous of being registered as a Global In-House Centre shall be required to meet the following eligibility criteria:

- (i) It shall exclusively cater to its financial services group wherein the entities served must be located in Financial Action Task Force compliant jurisdictions; and
- (ii) The support services provided to its financial services group should be for the purpose of carrying out a financial service in respect of a financial product.

27. Which entities are eligible for testing in the regulatory sandbox?

The following entities shall be eligible for testing in the regulatory sandbox:

- All entities registered with SEBI, RBI, IRDA, PFRDA
- All startups registered with Startup India
- Companies incorporated and registered in India
- Companies incorporated and regulated in Financial Action Task Force (FATF) compliant jurisdictions
- Individuals who are citizens of India
- Individuals from FATF compliant jurisdictions

28. Can IFSC units open foreign currency accounts with the banks operating in the GIFT IFSC?

Yes, IFSC units can open foreign currency current accounts with the banks operating in the GIFT IFSC.

29. Can IFSC units pay administrative expenses in INR?

Yes, IFSC units can make payment for administrative and statutory expenses in INR. No other INR transactions are permitted.

30. What is the procedure to establish an SEZ IFSC unit in GIFT SEZ?

The following points describe the procedure to establish a unit in the GIFT IFSC:

- Obtain Provisional Letter of Allotment from any Co-developer in GIFT SEZ for securing the premises on lease.
- Application in the prescribed Form F to be filed with the Development Commissioner (DC) of the GIFT SEZ along with copy of project report and other details/ information (in set of 5 copies).
- The DC shall scrutinise the proposal of the unit and place the same before the Unit Approval Committee for their consideration.
- The Unit Approval Committee shall approve or approve with modifications or reject the proposal within 15 days of its receipt.
- The DC shall issue Letter of Approval (LOA) for setting up unit, subject to approval by the relevant regulator.
- SEZ unit will take approval from IFSCA for setting up a unit in the IFSC for carrying out banking, capital market or insurance-related activities in the GIFT IFSC as applicable.
- SEZ unit shall be required to confirm its acceptance with the terms and conditions of LOA to the DC, GIFT SEZ within 45 days of receipt of LOA.
- SEZ unit shall be required to enter into a lease agreement with the Co-developer and copy of the registered lease deed shall be required to be submitted to the office of the DC within six months of receipt of LOA.
- The unit can then operate and avail all the benefits/ exemptions/ concessions as a unit in GIFT SEZ.

31. Please provide web link to submit Form F online to DC, KASEZ.

<https://sezonline-ndml.co.in/>

32. What are the documents required along with Form F to be submitted to DC, KASEZ?

The application is to be filed in two sets, one each for DC office and the GIFT SEZ Authority.

- Bank Draft of INR 5000/- payable to REGIONAL PAY AND ACCOUNTS OFFICER, MUMBAI. (Payable at Gandhidham)
- Application in form "F" duly filled and signed by the Authorised Person
- Self-certified copy of incorporation, Memorandum of association and Articles of Association.
- Self-certified copy of Permanent Account Number of the company.
- Copy of Provisional Letter of Allotment issued by the Developer.
- List of Directors/ Partners of the company/ Firm/ Limited Liability Partnership
- Certified copy of PAN card of the Directors/ Partners
- Passport size photographs of the Directors/ Partners
- Copy of audited financial statement of the Company/ Firm/ LLP for the last three financial years.
- Certified copy of resolution for setting up the unit in SEZ and authorising the person to sign the application
- Brief Project Report

33. What are the reporting requirements for the companies to set up in the GIFT-IFSC?

The reporting requirements for the entities to set up in the GIFT-IFSC are mentioned from time to time in the regulations released by various regulating authorities.

34. Who is the regulatory body in the GIFT IFSC?

IFSCA established under International Financial Services Centres Authority Act, 2019.

35. What is the typical time frame for obtaining a license in the GIFT-IFSC?

A unit can apply to SEZ authority and IFSCA parallelly. Both the licenses can be obtained in 30-45 days from the date of application.

36. What is the tax framework for units set up in the GIFT IFSC?

- **Tax holiday** for 10 consecutive years out of block of 15 years in respect of income from business carried on in IFSC
- Minimum Alternate Tax (MAT)/ Alternate Minimum Tax (AMT) – **9%** (MAT not applicable to companies in IFSC opting for new tax regime)
- Tax on capital gains on Specified securities listed on IFSC exchanges by a non-resident or category III AIF located in IFSC - **NIL**
 - **Gains accruing not chargeable to tax in India**
- New Tax regime for Category III AIF located in IFSC which has non-resident investors only except for the Sponsor and Manager
- GST on services (a) received by unit in IFSC; and (b) provided to IFSC/ SEZ units or Offshore clients – **NIL**
- Security Transaction Tax (STT), Commodity Transaction Tax (CTT), Stamp Duty in respect of transactions carried out on IFSC exchanges – **NIL**
- Tax on interest paid by IFSC units to non-residents – **NIL**
- Tax on interest paid to non-resident on Long-term Bonds and Rupee-denominated bonds listed on IFSC exchange – **4%**

37. Who are the developers of GIFT SEZ IFSC?

- Hiranandani, Mumbai (Signature Tower – Operational)
- Brigade Group, Bangalore (BIFC Tower – Operational)
- Savvy Group, Ahmedabad (Pragya Tower – Operational)

38. What is the approximate lease rental charged by co-developers in GIFT SEZ?

The approximate current prevailing lease rental (bare/ warm shell) charged by co-developers in GIFT SEZ is around INR 55-60 per sq. ft per month. (Co-developers rate will be considered as final rate)

39. Who is the primary contact for further information on IFSC?

The primary contact for queries related to the setting up operations in the GIFT-IFSC is as follows:

- Mr. Sandip Shah, Lead – IFSC Banking & Capital Market, GIFT City Co. Ltd.:
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