

GRC BULLETIN

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IFSCA

Circular - Framework for Finance Company/
Finance Unit undertaking the activity of
Global/ Regional Corporate Treasury Centres

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INDUSTRY SPECIFIC

Authority

International Financial
Services Centres
Authority (IFSCA)

Circular Date

Apr 04, 2025

Circular Number

F.No. IFSCA/24/2024-
Banking-FC/01

Effective Date

Apr 04, 2025

IFSCA CIRCULAR - FRAMEWORK FOR FINANCE COMPANY/FINANCE UNIT UNDERTAKING THE ACTIVITY OF GLOBAL/ REGIONAL CORPORATE TREASURY CENTRES

Applicability: Entities desirous of registration as a Finance Company/Finance Unit under the IFSCA (Finance Company) Regulations, 2021 to carry out GRCTC activities. Existing registered Finance Companies/Units in IFSCs already engaged in or seeking to engage in GRCTC activities.

The International Financial Services Centres Authority (IFSCA) issued a circular on April 4, 2025, introducing an updated framework for Finance Companies and Finance Units undertaking Global/Regional Corporate Treasury Centre (GRCTC) activities in IFSCs. This framework replaces the earlier 2021 circular and aims to streamline operations, enhance regulatory clarity, and align India's international financial ecosystem with global best practices.

Registration

- Apply through the SWIT portal.
- Must meet infrastructure requirements, including office space, equipment, and communication systems.
- Must demonstrate ability to fulfill capital and personnel requirements

Legal Form

- Entity must be either a company incorporated in India or abroad, or a branch of such a company, established in an IFSC.

Minimum Owned Fund

- Minimum of USD 0.2 million to be maintained at all times.
- Finance Units (branches) may maintain the required fund at the parent company level.

Personnel Requirement

- At least five qualified personnel must be employed, including a Head of Treasury and a Compliance Officer.
- All personnel must be based in the IFSC.

Fit and Proper Criteria

- Applicable to all Key Managerial Personnel and controlling persons.
- Includes checks for regulatory compliance history, financial soundness, and criminal background, as outlined in Annex I.



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Permissible Activities

- Includes capital raising, borrowing, credit arrangements, investments, derivative transactions, foreign exchange operations, factoring, forfaiting, advisory services, liquidity management, and re-invoicing.
- Additional registration required for factoring and forfaiting under separate regulations.

Corporate Governance

- Must have Board-approved policies for governance, risk management, and operational control.
- Policies must cover delegation of powers, financial limits, audit procedures, and compliance measures.
- Any significant change in control (20% or more) requires prior IFSCA approval.

Start of Operations

- Business must commence within six months from the date of registration.
- A one-time extension of up to three months may be granted upon valid justification.

Fee Structure

- Application Fee: USD 1,000
- Registration Fee: USD 12,500
- Annual Recurring Fee: USD 25,000

Repeal and Compliance

- Supersedes the June 25, 2021 circular.
- Existing registered entities must comply with the new framework within six months from April 4, 2025 (i.e., by October 4, 2025).

SOURCE: [Click Here for more details](#)



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