

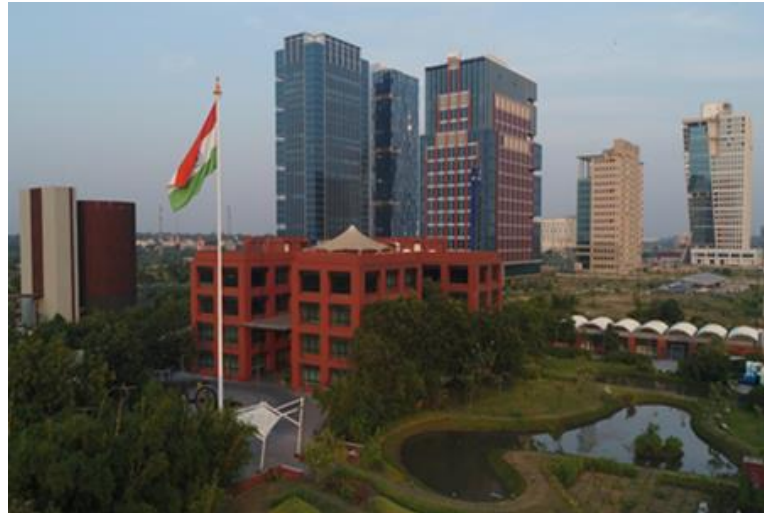


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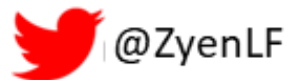


Global Financial Centres 2020 Focus On GIFT City Gujarat

29 April 2020



Financial Centre Futures





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Focus On GIFT City Gujarat



Dipesh Shah
Head, IFSC Dept.,
GIFT-City



Professor Michael Mainelli
Executive Chairman
Z/Yen Group





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Agenda



Time: GIFT City	Agenda	Time: London
16:00	Welcome Mike Wardle, Head Of indices, Z/Yen	11:30
16:02	Introduction To GIFT City Dipesh Shah, Head, IFSC Dept., GIFT City	11:32
16:10	GIFT City As A Financial Hub For India Dipesh Shah, Head, IFSC Dept., GIFT City	11:40
16:25	GIFT City's Strengths And Commentary On Key Themes Professor Michael Mainelli, Executive Chairman, Z/Yen	11:55
16:35	Questions, Comments & Answers	12:05
16:45	Close	12:15





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IFSC - GIFT City: Introduction

A Greenfield Smart City developed on 886 Acres of land

Developed by Government of Gujarat and supported by Govt. of India

The financial gateway of India for inbound & outbound investment



Ranked 3rd in the Sept 2018 report by the Global Financial Centres Index, London as one of the IFSC which could become more significant in next few years

Government of India operationalized GIFT City as an IFSC in 2015

India: Financial Services Sector

MF AUM: US\$403 bn in Jan 2020

Estimated to be Fourth largest private wealth market globally by 2028

India's 1st Operational Smart City & IFSC

India's

demand of financial services:

India's demand for international financial services is around US\$ 50 bn which may go upto US\$120 bn by 2025

Gujarat:

Gujarat state contributes 8% to India's GDP

Contributes more than 20% of India's exports

GIFT:

Domestic & International Financial Services hub

India's International Financial Services Centre





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IFSC - Objective



- ✓ To emerge as a major economic power with the **strong base of international financial services**
- ✓ Facilitate the implementation of the Government's strategy for the development of a **Global financial hub** in the Country.
- ✓ Position the IFSC as a world-class zone for the long-term provision of office/service accommodation and **high technological, economical and commercial infrastructure**.

Vision of Hon'ble Prime Minister of India

"My vision is that in ten years from now, GIFT city should become the price setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other financial instrument." The concept of IFSC is simple but powerful. It aims to provide on-shore talent with an offshore technological and regulatory framework. This is to enable Indian firms to compete on an equal footing with offshore financial centres."

Shri Narendra Modi, Hon'ble Prime Minister of India

India's 1st Operational Smart City & IFSC

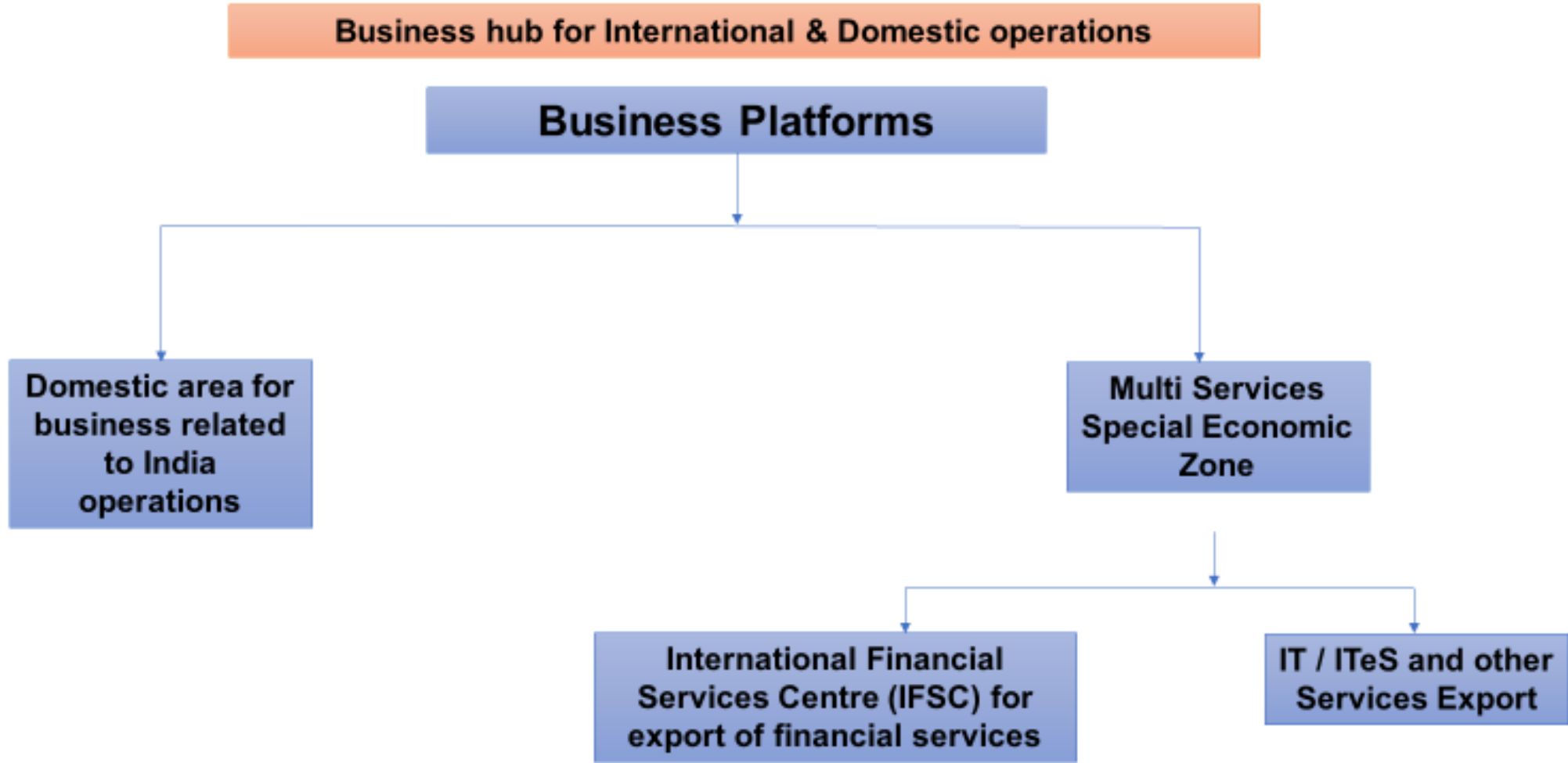
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GIFT City – Preferred Business Destination





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International Financial Services Centre

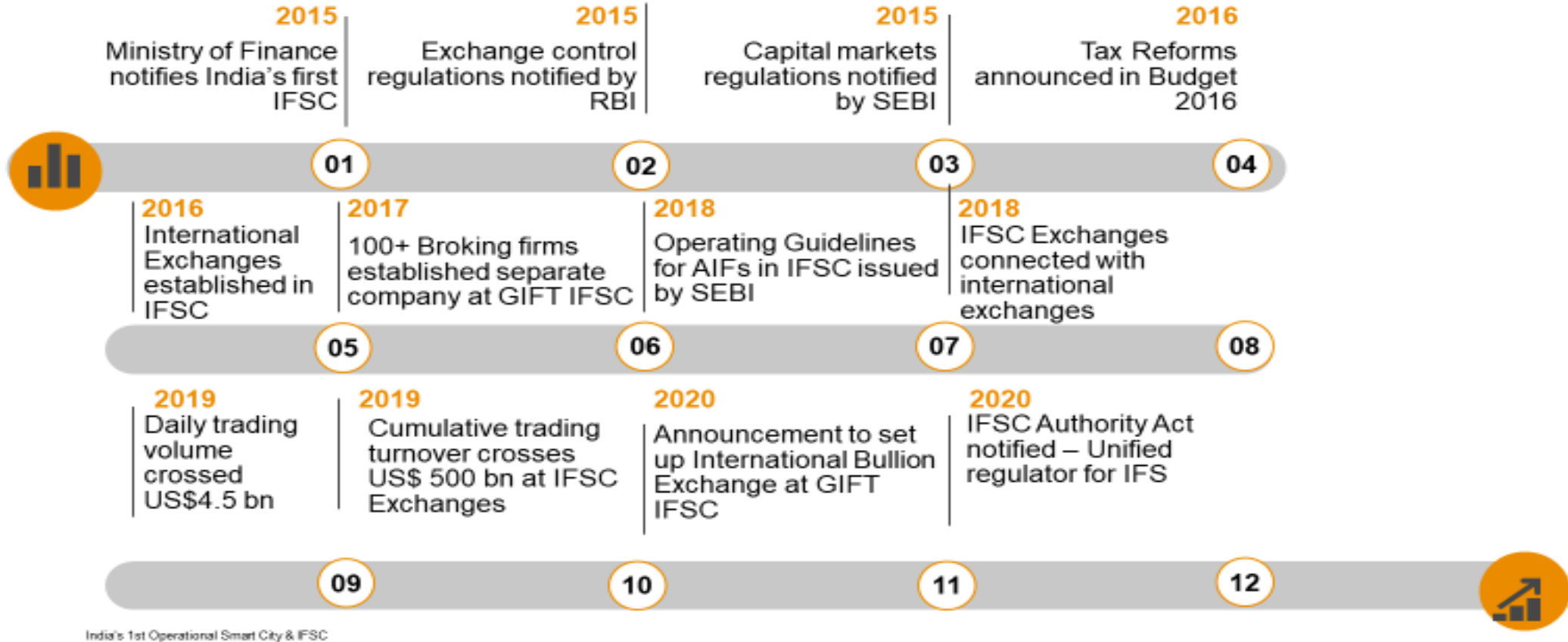
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The Journey So Far





IFSC Business activities



- ### Capital Markets
- Exchanges
 - Brokerage services
 - GDR / REITs / MFs
 - Investment Adviser
 - Portfolio Management Services

- ### Offshore Banking
- Corporate Banking
 - Servicing JV/WOS of Indian companies registered abroad
 - Factoring / Forfeiting of export receivables
 - NDF currency trading

- ### Offshore Insurance
- General / Life Insurance
 - Co-Insurance
 - Reinsurance
 - Captive Insurance etc.

- ### Offshore Asset Management
- Fund Accounting
 - Investment services
 - Custodial services
 - Trust services etc.

- ### Ancillary Services
- Legal, Accounting & Audit
 - Research & Analytics etc.
 - Compliance, Recruitment
 - Risk Management etc.
 - Fund Administration





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Current Players and Ecosystem in IFSC – GIFT City



Sr No	Players	Key business activities and features	Volume and No. of players
1	Stock exchanges	<ul style="list-style-type: none"> Dollar denominated products No transaction cost (other than brokerage) Trading - 22 hours 	<ul style="list-style-type: none"> India INX and NSE IFSC stock exchange Average daily volume crossed USD 4 Bn+
2	IFSC banking units	<ul style="list-style-type: none"> ECB Lending Loan syndication and trade finance 	<ul style="list-style-type: none"> 13 Banks Business transactions - USD 26 Bn+
3	Brokers	<ul style="list-style-type: none"> Broking services Proprietary trading 	<ul style="list-style-type: none"> 100+ Broking firms
4	Insurance players	<ul style="list-style-type: none"> Reinsurance business Insurance intermediaries 	<ul style="list-style-type: none"> 19+ players Sum insured - USD 30 Bn+
5	IT & ITeS	<ul style="list-style-type: none"> Legal & consultancy firm IT companies 	<ul style="list-style-type: none"> 50+ entities



India's 1st Operational Smart City & IFSC





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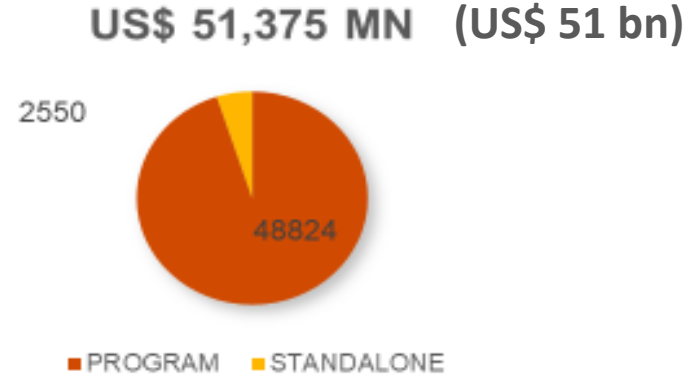
Key Statistics



Average daily trading volume



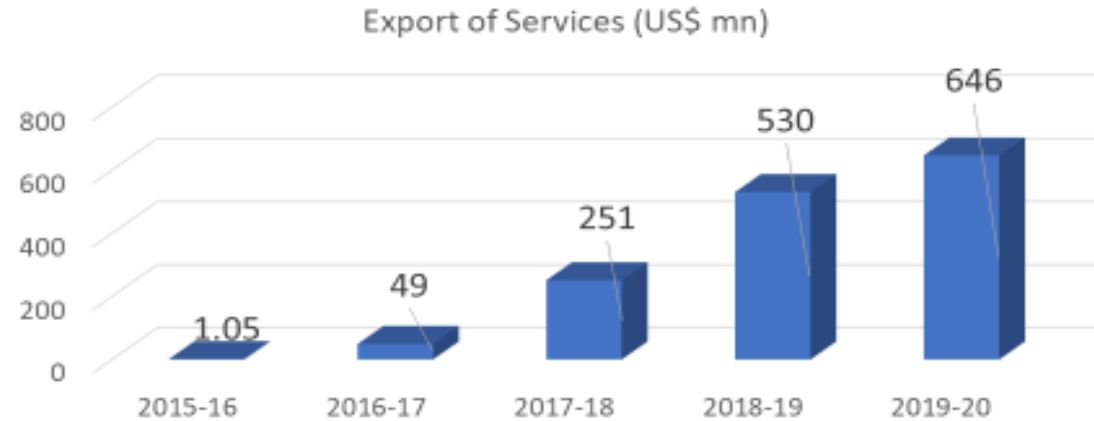
Debt listing at GIFT IFSC Exchanges



Tie-up with International Exchanges in IFSC

- CME
- ICE Europe
- Comex
- NYMEX
- LME
- ICE Futures US
- ICE Futures Europe
- Eurex

Export of Services





Competitive Tax Regime – GIFT IFSC



Particulars	Units in IFSC	Investors
Income-tax	<ul style="list-style-type: none"> • 100% tax exemption for 10 consecutive years out of 15 years • MAT / AMT at 9% of book profits / adjusted profits to apply • Dividend Distribution tax exemption for IFSC Cos. 	<ul style="list-style-type: none"> • No tax on interest income arising to non-residents from monies lent to IFSC units • Gains arising from transfer of specified securities listed on IFSC stock exchanges not subject to tax in the hands of non-residents & Category III IFSC AIF • No distribution tax applicable to MFs located in IFSC • Interest payable on long term and rupee denominated bonds listed in IFSC stock exchanges subject to tax at reduced rate of 4%
Goods and Services Tax	<ul style="list-style-type: none"> • No GST on services – <ul style="list-style-type: none"> ◦ <i>received by unit in IFSC</i> ◦ <i>provided to other IFSC / SEZ units</i> ◦ <i>exported to offshore clients including intermediary services</i> • GST applicable on services provided to DTA 	<ul style="list-style-type: none"> • No GST on transactions carried out in IFSC exchanges
Other taxes duties	<ul style="list-style-type: none"> • State incentives – Lease rental, PF contribution, electricity duty reimbursement by Govt. of Gujarat 	<ul style="list-style-type: none"> • Exemption from STT, CTT, stamp duty in respect of transactions carried out on IFSC exchanges





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Key enabler – New IFSC Authority



- ❑ IFSC Authority Act, 2019 established to regulate all the financial services activities in IFSC
- ❑ Unified regulator for banking, insurance, capital markets and allied services
- ❑ The head office of the IFSC Authority at Gandhinagar, Gujarat
- ❑ Focused and dedicated approach for the development of IFSC
- ❑ Ease of doing business for participants in IFSC





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Business Opportunities - IFSC



International Banking

- Indian & Foreign Bank

Insurance & Reinsurance

- Life & General Insurance
- Reinsurance business
- Reinsurance broking

Capital Markets

- International Exchanges, Depository
- Custodians
- Institutional broking
- Proprietary trading
- Alternate Investment Fund
- Investment Advisory
- Portfolio Management Services
- Mutual Funds

Participation as a Client:

- ✓ Foreign Portfolio Investors
- ✓ Eligible Foreign Investors
- ✓ Non-resident Indian (NRIs)
- ✓ Foreign individuals
- ✓ Indian domestic institution as permitted under FEMA

Facilitate offshore clients as Segregated Nominee Account Provider (SNAP)





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New Business Opportunities



International Banking
Reinsurance
International trading

Aircraft leasing & Financing

International Bullion
Exchange

Alternate Investment Funds
Investment Advisers
Portfolio Management
Services

Listing of GDR / Equity / REITs

INR / USD Currency trading

OTC trading for Rupee
derivatives

Global in-house Centres

Insurance & Reinsurance
business



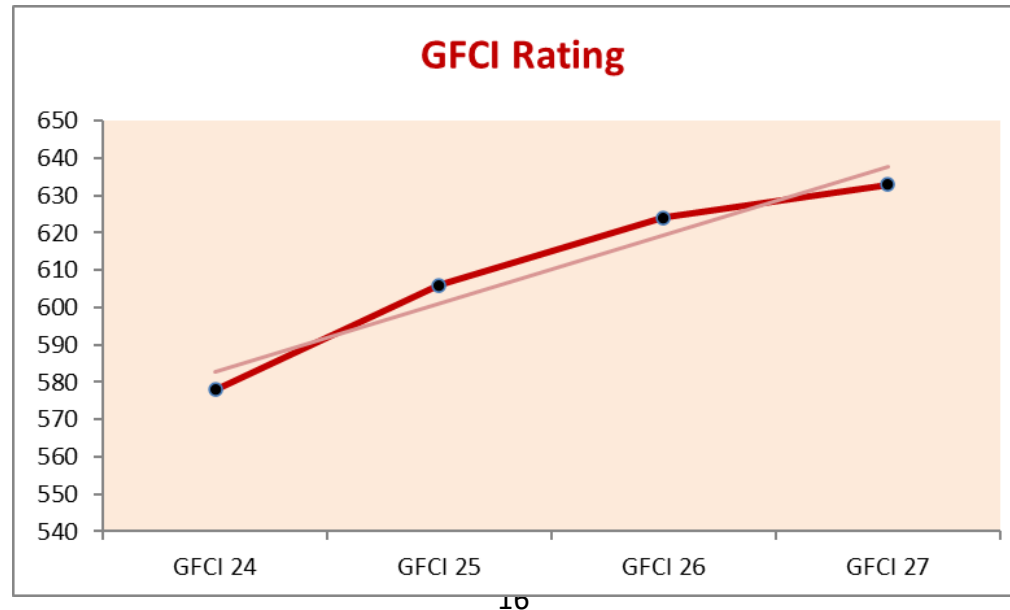


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GIFT City – An External View

- ◆ As a relatively new financial centre, GIFT-City Gujarat has featured in the GFCI since September 2018
- ◆ Consistent improvement in rating over time
- ◆ Ranks high for business environment; and is rated highly by those working in banking



FS Club



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GIFT City Strengths



- ◆ Business Environment: Global Services Locations, OECD Country Risk Classification
- ◆ Infrastructure: Energy Sustainability Index, CO2 Emissions Per Capita, 4G Availability, Energy Intensity of GDP
- ◆ Reputation: Foreign Direct Investment Inflows, FDI Confidence Index
- ◆ Financial Sector Development: Business Process Outsourcing Location Index, External Positions of Central Banks as a share of GDP, Percentage of Firms Using Banks to Finance Investment, Broad Stock Index Levels, Capitalisation of Stock Exchanges
- ◆ Human Capital: Global Skills Index





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GIFT City For The Future



- ◆ Building Connectivity – Well-connected in the GFCI with the Middle East and Mauritius and well-positioned geographically
- ◆ Growth in market size, range of services, market players
- ◆ Continued development of the Alternate Investment Funds regime
- ◆ Focus on promoting GIFT City as an attractive place to live and work





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Questions, Comments, And Answers





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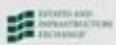
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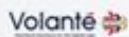
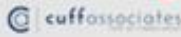
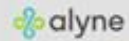
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