



# **Foreign University Project in GIFT IFSC**

## **Presentation for UK Universities**

**June 2022**

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# 1.0 About GIFT City & International Financial Services Centre (IFSC)

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# GIFT IFSC: Government of India Initiative

The latest **Global Financial Centers Index, London Report (March 2022)** puts IFSC in GIFT City at the top amongst 15 centers globally, which are likely to become more significant over the next 2 to 3 years

**1<sup>ST</sup> Commercial building inaugurated at GIFT City**

**Jan. 2013**

**April 2015**

India's 1<sup>st</sup> IFSC became operational with RBI, SEBI and IRDAI notifying regulations

IFSC Authority Act, 2019 passed by Union Parliament

**Dec. 2019**

**Oct. 2020**

IFSCA assumes power to develop and regulate IFSCs in India from 1st Oct 2020

IFSCA has come out with more than 20 + Regulations & has registered ≈ 300 + entities

**May 2022**

# GIFT CITY – Overview



International Financial Services  
Centres Authority (IFSCA)

- **A Global Financial & IT Hub**  
with a Domestic Tariff Area & a Multi  
Services SEZ
- **GIFT SEZ-** Notified as India's 1<sup>st</sup>  
**International Financial Services Centre**  
**(IFSC)**
- Employment opportunities for **1 Million**  
**workforce**
- **A Greenfield Smart City**  
with State-of-the-Art Infrastructure
- **A Vertical City**  
1st of its kind in the country in scale, scope  
& quality

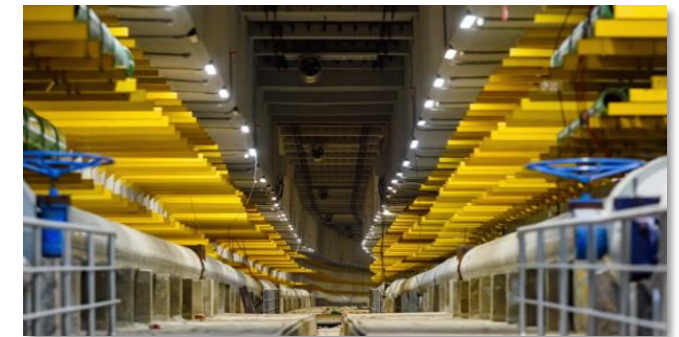


# GIFT CITY – World Class Infrastructure



International Financial Services Centres Authority (IFSCA)

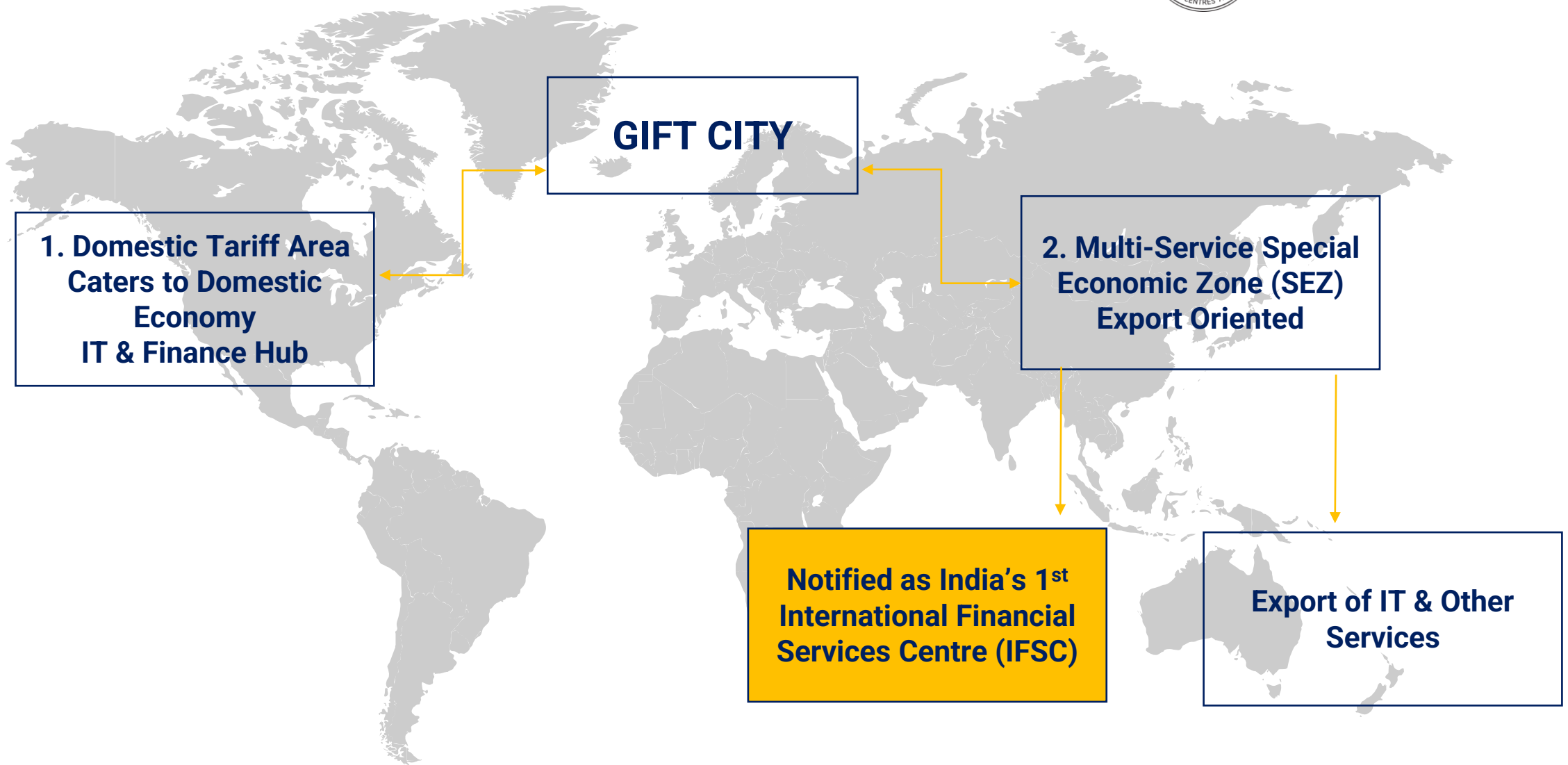
- Underground Utility Tunnel
- Automatic Waste Collection System
- District Cooling System
- Portable water from any tap throughout the city
- Dual power supply at Power Station with building level Back-up power facility



# GIFT CITY: Structure



International Financial Services Centres Authority (IFSCA)





International Financial Services  
Centres Authority (IFSCA)

# **INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)**



# INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY



International Financial Services Centres Authority (IFSCA)

1

IFSCA has been established as a unified financial regulator by the Government of India under the IFSCA Act, 2019

2

The Authority is mandated to develop and regulate Financial Institutions, Financial Services and Financial Products in the International Financial Services Centre (IFSC) in India

3

To develop and regulate IFSC's in India, IFSCA has been vested with powers of four sectoral regulators namely- RBI\*, SEBI\*, IRDAI\* & PFRDA\*

# Overview - IFSC



International Financial Services Centres Authority (IFSCA)

## BUSINESS ACTIVITIES



### BANKS

- Indian banks
- Foreign banks



### CAPITAL MARKET

- Stock/Commodity Exchanges
- Clearing Corporation
- Depository
- Broker Dealer



### ASSET MANAGEMENT

- Alternate Investment Fund
- Investment Advisers
- Wealth Management
- Portfolio Manager
- Custodial Services



### INSURANCE

- Indian Insurer
- Indian Reinsurer
- Indian Broker
- Foreign Insurer
- Foreign Reinsurer



### Other Financial Institutions

- Finance Company
- Global Corporate Treasury Centre
- International Trade Finance Services Platform



### Emerging Activities

- Global Fintech Hub
- Global inhouse centres
- International Bullion Exchange
- Aircraft Leasing & Financing
- Ancillary Services/Professional Service Providers

# COMPETITIVE TAX REGIME

## Overview - IFSC

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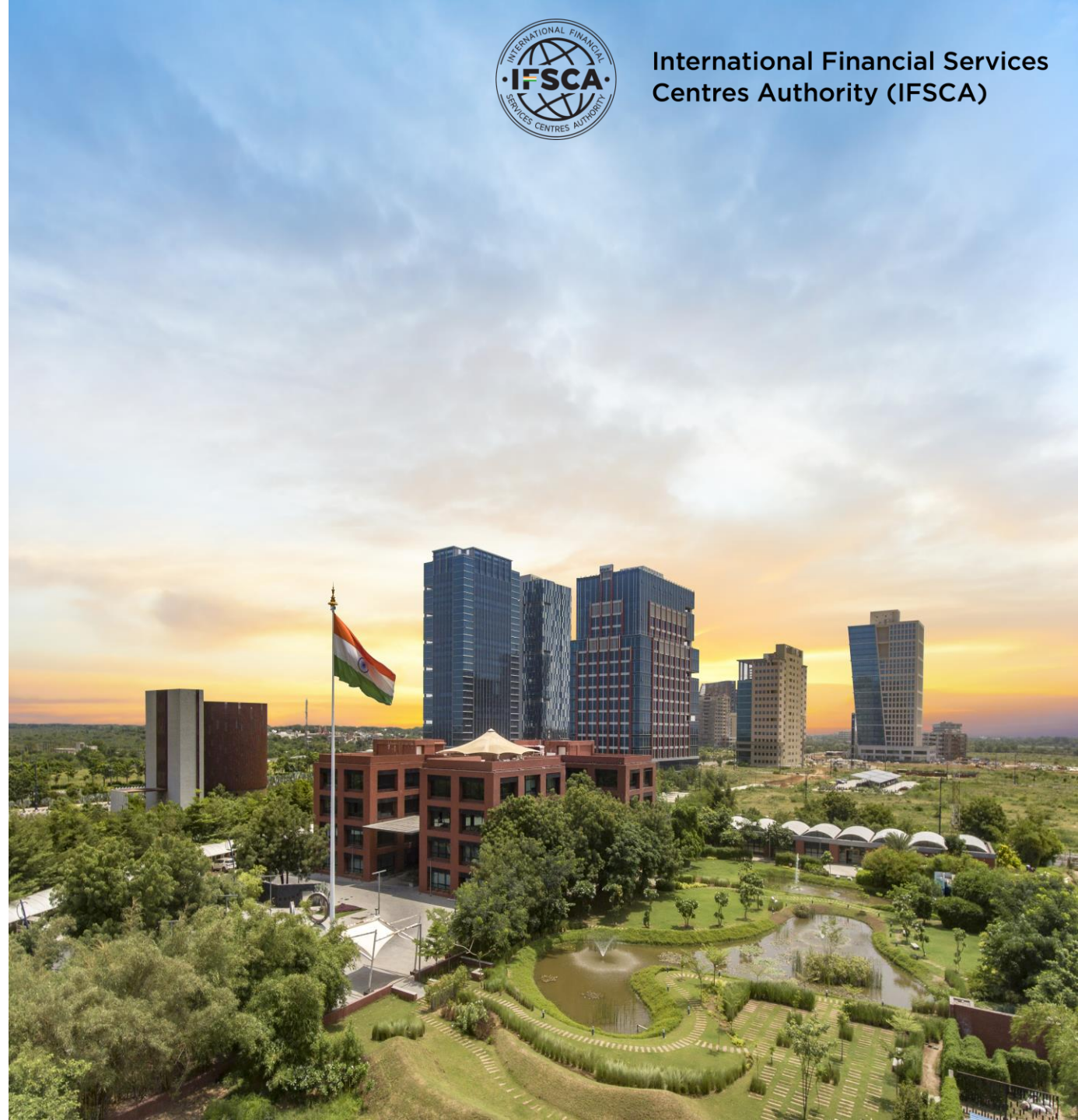
- 100% Tax Exemption on Business Profits (for 10 out of 15 years)
- Minimum Alternate Tax\* @ 9%
- No Goods and Services Tax (GST)
- No Capital Gain Tax
- CTT\*\*/STT\*\*/Stamp Duty
- Competitive AIF Tax Regime
- Incentives under Gujarat IT/ITes Policy (2022-27)

\* MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BAA of Income Tax Act, 1961

\*\*CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax



International Financial Services  
Centres Authority (IFSCA)



## IFSC Regulations Benchmarked with International Best Practices

IFSCA (Banking)  
Regulations 2020

IFSCA (Bullion Exchange)  
Regulations 2020

IFSCA (Global In-House)  
Regulations 2020

IFSCA FinTech Entity  
Framework 2022

IFSCA (Issuance and  
Listing of Securities)  
Regulations, 2021

IFSCA (Finance Company)  
Regulations, 2021

IFSCA (Market  
Infrastructure Institutions)  
Regulations 2021

Framework For Aircraft  
Leasing and Finance 2021

Framework for Ancillary  
Services 2021

Framework for Global  
Corporate Treasury Centres  
in IFSC 2021

Framework for setting up  
International Trade  
Financing Services  
Platform (ITFS) 2021

Fund Management  
(Regulations) 2022

IFSCA (Capital Market  
Intermediaries)  
Regulations, 2021

IFSCA (Registration of  
Insurance Business)  
Regulations, 2021

IFSCA (Insurance  
Intermediary) Regulations,  
2021

# Business Highlights: GIFT IFSC

**\$11.8 Bn**

Stock Exchanges Avg. daily turnover\* in **March 2022** compared to **\$ 3.4 Bn in Sept. 2020**

**\$ 6.3 Bn**

Total amount committed by Alternative Investment Funds (AIFs) till **May 2022**

**\$ 30.7 Bn**

Total Banking Asset Size in **March 2022** compared to **\$ 14 Bn in Sept. 2020**

**\$176 Bn**

Cumulative Banking transactions till **March 2022** compared to **\$ 45 Bn in Sept. 2020**

**\$246 Bn**

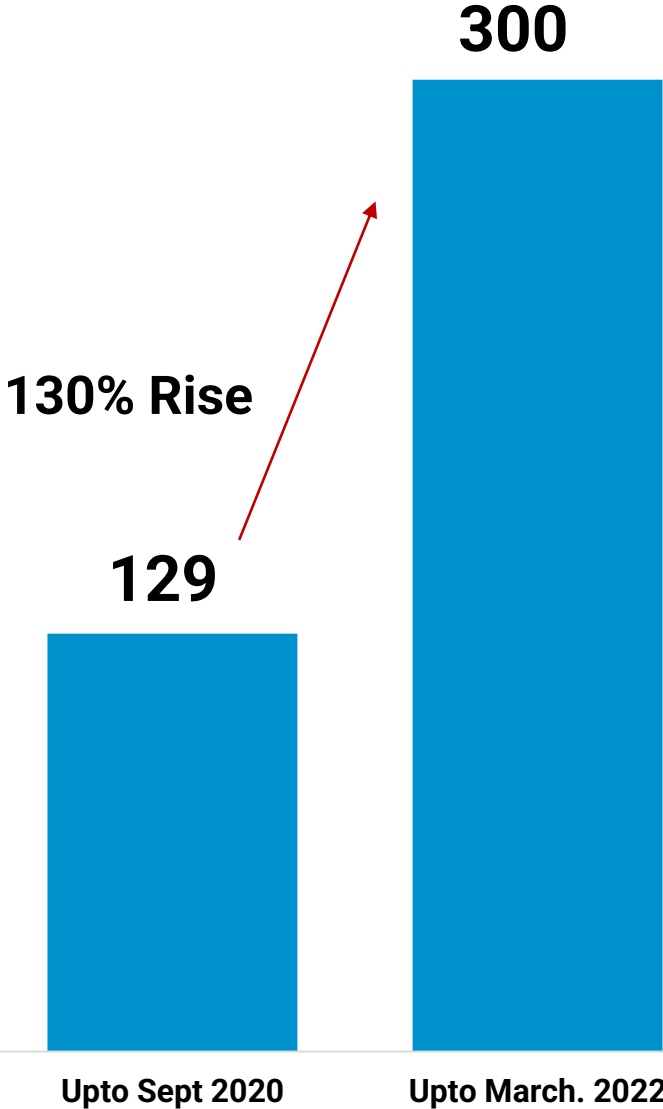
Cumulative Derivative transactions by Banks till **March 2022** compared to **\$ 22 Bn in Sept. 2020**

**4500+**



Employment in GIFT SEZ in **March 2022** compared to **2500 + employment in Sept. 2020**

## Growth in GIFT IFSC Entities\*\*



\*Notional Turnover Value

\*\*Including entities who have either applied to IFSCA or obtained SEZ IFSC approval

## 2.0 Budget Announcement: FY 2022-23

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## 2.0 Historic Budget Announcement: FY 2022-23



International Financial Services  
Centres Authority (IFSCA)



**Announcement by Smt. Nirmala Sitharaman, Hon'ble  
Finance Minister in Union Budget Speech (2022-23) :**

*“World Class Foreign University and Institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics, free from domestic regulations, except those by the IFSCA to facilitate availability of high-end human resources for financial services and technology”*

# 2.1 Breaking Down the Budget Announcement



## Institution

*“World Class Foreign University and Institutions will be allowed in GIFT City”*

- **Foreign University:** Top Foreign Universities to be invited to establish presence in GIFT IFSC

## Disciplines

*“to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics”*

- **Post Graduate Disciplines:** Post Graduate Courses & other Executive programmes
- **Specialized Courses:** AI/ML, Blockchain, DLT, Cloud Computing, Quantum Computing, Sustainable Finance, DiFi, FinTech etc.

## Regulation

*“free from domestic regulations, except those by the IFSCA ”*

- **Domestic Regulations:** Disapply UGC Act 1956 & AICTE Act, 1987
- **Applicable Regulations:**
  1. Foreign University bound by University norms in home jurisdiction
  2. IFSCA Regulations would lay down broad terms & conditions

## Objective

*“to facilitate availability of high-end human resources for financial services and technology”*

- Objective:**
1. Ensure availability of high-end human capital for financial firms in GIFT-IFSC
  2. Provide a unique opportunity to Indian students to get foreign university experience in India



## 2.2 Value Proposition for UK University



International Financial Services  
Centres Authority (IFSCA)

### Foreign University

1. Can set-up offshore/**international branch campuses (IBCs)** in GIFT IFSC and award their own degrees
2. **100% foreign ownership**
3. **Full repatriation** of profits
4. **Regulatory Ease:** Only bound by home jurisdiction norms and IFSCA regulations (free from domestic India regulations)
5. **Academic autonomy :** Curriculum, Pedagogy and Course Structuring
6. **Administrative autonomy:** IBC operations & recruitment of students

**Unique Value  
Proposition**

### Foreign University

7. **Opportunity to service huge demand** for foreign university degrees in India and South Asia
8. **Opportunity** to collaborate with Financial Firms in IFSC for **cutting edge research and innovation**
9. Option to **partner/collaborate with Indian education provider**
10. Campus location: India's 1<sup>st</sup> fully operational **SMART City with world class infrastructure**
11. Deliver the IBC through a **Vertical campus** ( lower cost of operations)

## 2.3 Value Proposition for GIFT IFSC & Students



International Financial Services  
Centres Authority (IFSCA)

### GIFT IFSC

1. Cater to the **huge demand for highly skilled human resource** in international financial services business
2. Provide additional avenue to **students to pursue HE in foreign university**
3. Develop GIFT IFSC as **global laboratory** for new age **research & development in Finance & FinTech**
4. Promote **collaboration between Financial Firms & Universities** for research purpose

### Unique Value Proposition

### Students

1. Opportunity to pursue H.E from foreign university: **Customised Courses, Exposure, and Experience** while remaining on Indian soil
2. Opportunity to get a foreign **university degree at an affordable cost**
3. **Opportunity to secure employment** with financial firms in GIFT IFSC
4. Two-way **mobility and knowledge exchange**
5. Opportunity to undertake **cutting edge research in Finance and Technology**

## 2.4 Target student group for IBCs in GIFT IFSC



International Financial Services Centres Authority (IFSCA)

### 1. Indian Students going abroad for Higher Education

*The focus of this segment is to pursue foreign education at a Top Foreign University (in-person overseas or IBC)*  
**Every Year 2-4 Lac Students go abroad**

### 3. Indian Students applying to domestic Universities in India

*This segment comprises of students who apply for postgraduate courses in Indian Universities. For them IBCs in GIFT IFSC would be an attractive alternative*  
**Every year more than 4 Mn. Students enroll for Post Graduate Programmes in India**

**Unparalleled Demand**

### 2. Indian Students aspiring to go abroad for Higher Education

*This segment comprises of students from Middle Income Group, who desire to go abroad for H.E but due to financial constraints are unable to do so.*

### 4. Students from South Asian Region

*This segment comprises of students from South Asian countries who desire to pursue H.E in foreign Universities*  
**Every Year an avg. 2.5 Lac students from South Asia (Except India) travel overseas for Higher Education**



## 2.5 Various Delivery Models

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### Model 1

### Stand Alone Branch Campus of Foreign University

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- Foreign University Int. Branch Campus (IBC) offering specific post graduate degrees in GIFT IFSC

### Model 2

### Joint Venture of Foreign University & Indian Partner

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- Foreign University comes in as academic partner and the Indian Partner acts as an operating partner (running the IBC) in GIFT IFSC

### Model 3

### Joint Venture: Consortium of Foreign Universities

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- A group of foreign universities come together to jointly run the International Branch Campus by offering University specific post graduate degree programmes

## 2.6 Illustrative list of Post-Graduate Courses



International Financial Services  
Centres Authority (IFSCA)

❖ **To support the development of International Financial Services Centre in GIFT City, Foreign University may offer post-graduate courses linked to Finance, Management and Technology and STEM courses:**

### Finance, Management & Data Science

- i. MBA Finance ( Including Executive programme);
- ii. MSc. Financial Management;
- iii. MSc. International Financial Management;
- iv. MSc. Investments;
- v. MSc. Banking & Finance;
- vi. MSc. International Banking & Financial Studies;
- vii. Master of Applied Finance;
- viii. Master of Financial Analysis;
- ix. Masters of Actuarial Practice ;
- x. Masters in Quantitative Finance;
- xi. PG course in Data Science & Data Analytics
- xii. Professional course on Financial Accounting
- xiii. Professional course on Chartered Secretaryship
- xiv. Professional course on Cost Accounting

### FinTech

- i. MSc. Financial Technology
- ii. MSc. Retail and Digital Banking
- iii. MSc. Digital Financial Technology
- iv. MSc. FinTech and Digital Finance

### Sustainable Finance

- i. MSc. Climate Change Finance & Investment
- ii. MSc. Sustainable Finance and Accounting
- iii. MSc. Sustainable Finance

## 2.7 Legal Enablers for setting up Foreign University in GIFT IFSC

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1. **International Financial Services Centres Authority Act 2019** passed by Union Parliament empowers IFSCA to develop and regulate financial services, financial products and financial institutions in the IFSCs in India.
2. **Sec. 12 of the Act enables IFSCA** to make recommendations to Union Government for notifying any new financial services, which may be permitted in the International Financial Services Centre (IFSC)
3. **To implement the Union Budget Announcement and empower IFSCA to make regulations for Foreign University**, IFSCA made recommendation to Union Government to notify courses offered by Foreign Universities/Institutions as Financial Services.
4. **Accordingly, Union Government issued the following notification which was published in Official Gazette on 23rd May 2022:** *"Courses offered in Financial Management, FinTech, Science, Technology, Engineering and Mathematics by foreign universities or foreign institutions in the IFSCA as Financial Services"*
5. Sec 31 of the Act empowers Central Government by notification to disapply any Central Act, Rules or Regulations in its application in IFSC. **Using powers under Sec. 31, Central Government is working on disapplication of University Grants Commission Act 1956 (UGC ACT) & All India Council for Technical Education Act, 1987 (AICTE ACT).**
6. **The above notification will isolate GIFT IFSC from the jurisdiction of domestic higher education regulators.**

## 2.7 Legal Enablers for setting up Foreign University in GIFT IFSC

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### MINISTRY OF FINANCE

(Department of Economic Affairs)

### NOTIFICATION

New Delhi, the 23rd May, 2022

**S.O. 2374(E).**—In exercise of the powers conferred by sub-clause (xiv) of clause (e), of sub-section (1) of section 3 of the International Financial Services Centres Authority Act, 2019 (50 of 2019), the Central Government hereby notifies *courses offered in Financial Management, FinTech, Science, Technology, Engineering and Mathematics by foreign universities or foreign institutions in the International Financial Services Centre*, as financial service.

2. This notification shall come into force on the date of publication in the Official Gazette.

[F. No. 3/4/2022-EM-Part(I)]

DR. SHASHANK SAKSENA, Senior Economic Adviser

## 2.8 IFSCA requirements from International Branch Campus in GIFT IFSC

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1. Maintain highest standard of education and teaching
2. International Branch Campus (IBC) to be bound by rules & regulations applicable to the foreign university in its home jurisdiction, except for IFSCA rules
3. Complete equivalence of degree conferred at GIFT IFSC branch campus viz-a-viz degree conferred in home jurisdiction
4. Opportunities for internship and limited work visa for students in home jurisdiction
5. Substance requirement in terms foreign faculty in GIFT IFSC Branch Campus
6. IBC will initially operate from rented premise in one of the towers in GIFT IFSC



## 2.9 Indicative List of Questions for UK University:

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1. Which delivery model is preferred: 100% foreign Ownership or J.V with Indian partner?
2. List of post graduate courses on offering in GIFT IFSC Branch Campus
3. What would be the tuition fee structure for offering courses in GIFT -IFSC?
4. Structure and strategy for relocating foreign faculty to GIFT-IFSC?
5. Whether IBC degree holders would be able to apply for jobs in home jurisdiction?
6. Whether students would get internship opportunities in home jurisdiction?
7. Broad timelines for implementing and introducing courses in GITF IFSC?
8. Preferred mode for recruiting students for GIFT IFSC Branch campus?

## 3.0 Tentative Timelines for the Foreign University Project

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1

Undertake Preliminary Consultation with Top Foreign Universities  
**May & June 2022**



2

Undertake Detailed Consultation with Top Foreign Universities that indicate interest in GIFT IFSC Project  
**Visit to UK (July 2022) & USA (August 2022)**



3

Based on feedback and interactions, IFSCA will draft Framework for Foreign Universities in GIFT IFSC  
**August-September 2022**



4

IFSCA will open window for Foreign Universities to apply  
**November-December 2022**

5

Commencement of operation by International Branch Campus  
**Mid- 2023**



# Next Steps

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1. High level delegation led by Chairperson, IFSCA would be traveling to United Kingdom from 4<sup>th</sup>-9<sup>th</sup> July 2022: During the visit meetings can be arranged with UK Universities to discuss the GIFT IFSC project in greater detail.
2. IFSCA can schedule Video Conference (VC) interactions with UK Universities to discuss the modalities of the project.
3. IFSCA can schedule visit of Universities to GIFT IFSC.



## **Contact Details**

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