

MEDIANAMA

Expert Committee Set Up To Help Bring Back Foreign Domiciled Fintech Startups To India's GIFT City

IFSCA has set up an expert committee to identify a roadmap to bring Indian fintech startups domiciled abroad to IFSC in GIFT City, Gujarat.

By
[Sarvesh Mathi](#)
Published
22 hours ago



The International Financial Services Centres Authority (IFSCA) on March 21 [announced](#) that it has set up an expert committee to identify a roadmap to encourage Indian fintech startups domiciled abroad to relocate to India, specifically to the International Financial Services Centre (IFSC) in GIFT City, Gujarat.

“The Indian startup ecosystem is the third largest startup ecosystem in the world, boasting an impressive 115 unicorns [...but] many Indian startups are domiciled outside India – despite having the majority of their market,

personnel and founders in India. These ‘externalized’ or ‘flipped’ startups constitute a large number of India’s unicorns.” — IFSCA

“In order to better understand the nuances from regulatory, tax, legal and other perspectives and identify measures required to make India the preferred location, IFSCA has constituted an expert committee to formulate a roadmap to onshore the Indian innovation to GIFT IFSC,” the Authority stated.

STAY ON TOP OF TECH POLICY: Our daily newsletter with top stories from MediaNama and around the world, delivered to your inbox before 9 AM. Click [here](#) to sign up today!

What is GIFT IFSC: Set up by the Indian government in 2015, the International Financial Services Centre (IFSC) is located in GIFT City, a special economic zone (SEZ) in Gandhinagar, Gujarat. It is designed for financial institutions that serve non-residents and deal with foreign currency.

Institutions that set up shops in IFSC enjoy certain tax benefits as well as light touch regulations. These benefits are aimed at attracting foreign financial institutions to set up in India as well as convincing Indian financial institutions to operate out of the country rather than set up offshore banking entities.

The IFSCA is the unified authority for regulating companies in IFSC, having the combined powers of the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority (IRDAI), and the Pension Fund Regulatory and Development Authority (PFRDA.)

Why does this matter: Despite the various benefits it provides, there is a lack of awareness about GIFT City. Following the [Silicon Valley Bank \(SVB\) crisis](#), India’s IT Minister met with affected Indian startups to hear their concerns. In the meeting, the Minister had asked why startups were not banking with Indian or foreign banks located in GIFT City. The founders [complained](#) about the lack of awareness about GIFT City or worried about excessive compliance requirements. Many of you readers probably haven’t heard or don’t know much about GIFT City as well.

What's the job of the committee: The terms of reference of the committee include:

- Identify “measures required to encourage the Indian Fintech/Startups domiciled abroad to relocate to GIFT IFSC.”
- Identify “issues that are critical to the development of GIFT IFSC as a global Fintech Hub”
- Suggest “measures to encourage new Fintechs having global outlook to setup their commercial presence in GIFT IFSC”
- Identify “challenges and recommend measures for the development of International Innovation Hub at GIFT IFSC.”

The committee is expected to submit its recommendations to IFSCA within three months.

Who are the members of the expert committee: According to [Committee's webpage](#), the following people will be part of the committee:

- G. Padmanabhan, Ex. Executive Director, RBI – Chairman
- Dipesh Shah, Executive Director, IFSCA – Member
- **Nishith Desai, Founder, Nishith Desai Associates – Member**
- Anjali Bansal, Founding Partner, Avaana Capital – Member
- Siddharth Pai, Founding Partner & CFO, 3one4 Capital – Member
- Lalit Keshre, Co-founder & CEO, Groww – Member
- Nikhil Kamath, Co-Founder, Zerodha – Member
- Anjani Sharma, Partner, Financial Services, BSR & Co LLP – Member

- Sandip Shah, General Manager, GIFT City Ltd. – M



ember

- Ankit Bhansali, Dy. General Manager, IFSCA – Member Secretary