Frequently Asked Questions (FAQs)

On

Milestones

&

Illustrative Permissible Expenses

For

Reimbursement

Under

IFSCA (FinTech Incentive) Scheme, 2022 ("the Scheme")

Disclaimer: These FAQs are only illustrative and not final. IFSCA, may include/ exclude any milestone(s)/ expenditure head(s) or item(s). The decision of the Authority shall be final and binding. The information has been updated till December 15, 2022. For full particulars of laws governing fund management in IFSCs, please refer to the Acts / Regulations / Guidelines / Circulars appearing under the 'Legal' section of IFSCA website, i.e., https://ifsca.gov.in.

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Preliminary

The IFSCA (FinTech Incentive) Scheme, 2022 was notified on Feb 04, 2022, with the principal objective to promote the establishment of a world class FinTech Hub by providing financial support to eligible applicants in the form of specific grant(s) as specified in the Scheme. 3

Under the aforementioned Scheme, eligible applicants can avail the applicable grant on reimbursement basis.

This document is to guide applicants with regard to milestones to be achieved by the applicant(s) and reimbursement of the sanctioned grant amount under IFSCA (FinTech Incentive) Scheme, 2022.

The document is divided into two parts. Part A contains the details about respective milestones, for each grant category, to be achieved by an applicant. Part B contains the details about illustrative list of permissible expenses for the purpose of re-imbursement under the Scheme.

Part A (Milestones for each Grant Category)

Frequently Asked Questions (FAQs)

Q. What are the respective milestones, for each grant category, to be achieved by an applicant for grant disbursement?

S. No.	Grant Category (Grant Amount in INR Million)	Grant Description	Suggested Disbursement Milestones(M) (% of grant amount)
1	FinTech Start-up Grant (1.5)	For developing an MVP (a product or a service) and related 'go-to-market' initiatives for a start-up with a novel FinTech idea or solution.	**M1**. Identifying users, market needs and features to be built in the MVP under the IFSCA Sandbox (30%). **M2**. Tie-up with at least one partner for the completed MVP (30 %). **M3**. Obtaining Limited Use Authorization (Regulatory Sandbox)/Authorization, as applicable under Framework for Fintech Entities in the IFSCs, for the project applied under the Scheme (40 %).
2	Proof of Concept (PoC) Grant (5.0)	For the purpose of conducting a PoC, either in Indian markets or overseas, by an early or mature FE in domestic market or overseas.	**M1**. Establishing users, market needs and features to be built in the PoC (30%). **M2**. Tie-up with at least one partner for the completed PoC (30%). **M3**. Obtaining Limited Use Authorization (Regulatory Sandbox)/Authorization as applicable under

			Framework for Fintech Entities in the IFSCs, for the project applied under the Scheme (40 %).
3	Sandbox Grant (3.0)	Shall be Utilized by FEs to experiment with innovative products or services in IFSCA Regulatory or Innovation Sandbox.	**M1**.Establishing/Identifying users, market needs and features to be built for the product/solution under the IFSCA Sandbox (30%). **M2**. Tie-up with at least one partner for testing the product/solution (30 %). **M3**. Obtaining Limited Use Authorization (Regulatory Sandbox)/Authorization as applicable under Framework for Fintech Entities in the IFSCs, for the project applied under the Scheme (40 %).
4	Green FinTech Grant (7.5)	Shall be utilized towards developing solutions facilitating sustainable finance and sustainability linked finance, including 'Environmental, Social and Governance (ESG)' investments.	**M1**. Establishing users, market needs and features to be built for product/solution under the IFSCA Sandbox (30%). **M2**. Tie-up with at least one partner for testing the product/solution (30 %). **M3**. Obtaining Limited Use Authorization (Regulatory

			Sandbox)/Authorization as applicable under Framework for Fintech Entities in the IFSCs, for the project applied under the Scheme (40 %).
5	Accelerator Grant (1.0)	Shall be utilized for supporting an eligible Accelerator applicant for capacity building, build capabilities around mentors, bringing investors, bringing more projects or PoC, tie ups, etc.	**M1**. Two weeks post program initiation with the cohort having at least 10 FinTechs/TechFins relevant to IFSC jurisdiction (50%). **M2**. Minimum 5 completed applications under Framework for Fintech Entities in the IFSCs) from the cohort (50%).
6	Listing Support at IFSC (1.5)	Shall be utilized for supporting Domestic FEs aspiring to go for listing on stock exchanges recognized by the Authority.	**M1**. Submission of Draft Offer Document to IFSCA (75%). **M2**. Listing on IFSCA recognized Exchange(s) (25%).

Part B (Illustrative Permissible Expenses for Reimbursement)

Frequently Asked Questions(FAQs)

Q. What are the permissible expenses for availing grant on re-imbursement basis?

An illustrative list of permissible expenses towards re-imbursement, expenditure category wise, along with acceptable documents under the IFSCA (FinTech Incentive) Scheme, 2022 is presented below. It is to be noted that certified copies of invoices/bills of purchase/ utilization shall be furnished along with original copy of the same. Original copy will be returned to applicant(s) after verification by the Authority. Only those expenses, which are directly related to the Project applied for under the Scheme, shall be considered for re-imbursement.

S. No.	Broad Expense Head	Includes	Acceptable/Eligible documents for reimbursement
1.	Manpower	Salaries	1. Salary slips and bank account statement of the Grantee and 2. Employee ID cards of employees.
2.	Hardware, Software and Information Technology related	• Laptop, desktop, Computing equipment, servers and similar computing equipment. • Software Simulators & Software Licenses, • Software & Hardware for building prototype/MVP and conducting Proof of Concept (POC). • Cloud service, Seeking relevant certification(s) eg. Cyber, CERT-In, Broadband or Lease-Line	Invoice/bills of purchase/utilization
3.	Operating,	Rent, Utilities bills	Rent receipt, utility bill

	Administration & Maintenance		payment receipt
4.	Consultancy support	**Nature-** Legal, Technical, Design, Patent, Mentoring	Consultancy fee payment receipt or bank account statement
5.	Marketing & Media	• For all grantee(s), expenses related to booth/stall setup at trade shows, exhibitions, conferences. • **For Listing Grant**, expenses related to activities related to preparation of Draft Offer Document to be submitted to IFSCA.	Invoices/bills/receipts of the mentioned expenses.

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