



CIRCULAR

F. No.865/IFSCA/Banking/Fee Revision/2022-23

March 01, 2024

All Regulated Entities in International Financial Services Centres (IFSC) and all Applicants to the International Financial Services Centres Authority (IFSCA)

Sub: Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC

Reference is invited to the IFSCA Fee Circular No.865/IFSCA/Banking/Fee Revision/2022-23 dated May 17, 2023, as amended from time to time. As clearly indicated in Para 14.i of the said Circular, which stipulates that,

“all dues/fees payable to the Authority shall be paid by the entities either on receipt of a demand from the Authority, or as per the quantum and periodicity fixed in terms of the relevant regulations, guidelines, circulars, licence, registration, recognition, or authorization, or this Circular and schedules thereto.”

However, it has come to the notice of this Authority that though the said Circular has been in public domain for over nine months, many Regulated Entities (REs) have failed to adhere to the stipulations of the same and remit fees/dues to the Authority within prescribed timelines.

2. In this regard, it is reiterated that it is the responsibility of all REs to keep themselves abreast of regulatory changes, including regulations and circulars applicable to them. Therefore, all REs are advised to keep themselves updated of all applicable statutes, rules, regulations, guidelines, circulars, etc., and diligently adhere to the applicable provisions laid down therein.

3. Insofar as adherence to the stipulations of the IFSCA Fee Circular cited above is concerned, all REs should be advised to remit dues to the Authority well within stipulated timelines and not wait for formal demands from the Authority or cite the lack of formal demands as a reason for non-remittance of fees and dues applicable to them, especially where the deadlines are explicitly laid down in the fee circular or any other communication made to them. It may be noted that failure to remit fees/dues to the Authority attract late payment fees as stipulated in Schedule II of the said Circular.

4. All REs are also advised to ensure that periodic reports are also submitted to the Authority within stipulated timelines as late submission of periodic returns also attract late submission fees as stipulated in Schedule II of the Circular cited above.

5. With regard to REs who are in default for non-remittance of fees/dues or non-submission of periodic returns to the Authority, considering that considerable challenges have been encountered in the process of transition from the pre-existing fee regimes to the present harmonized one, the Authority, as a one-time measure, has decided to keep in abeyance all provisions relating to levying of prescribed late fees as indicated in Schedule II of the Fee Circular dated May 17, 2023, as amended till the fourth quarter of the CFY, i.e., 31st March 2024.

6. Accordingly, no late no late fee will be levied on REs who have failed to pay outstanding dues/fees to the Authority within the specified time or failed to submit periodic returns to the Authority within the specified time between May 17, 2023 and March 31, 2024, subject to the condition that:

- i. All fees/dues that have already fallen due or will fall due by March 31, 2024, are remitted to the Authority forthwith/by March 31, 2024.
- ii. All periodic returns that have already fallen due or will fall due by March 31, 2024, are submitted to the Authority forthwith/by March 31, 2024.

7. It is also reiterated that from the next FY, i.e., 2024-25, the Authority will not be in a position to entertain any request for waiver of fees, including late fees for late payment of dues or late submission of regulatory returns, unless the RE concerned is able to prove that such non-payment/non-submission was for reasons beyond their control.

8. In view of the foregoing, REs are advised that if they have any doubts about any provision of any applicable act, rules, regulations, guidelines, circulars, etc., issued by the IFSCA or any other authority w.r.t. its operations in the IFSC, they should seek clarifications from this Authority/other relevant authority well in advance of falling in default. No request for relaxation of application of any provision of applicable acts, rules, regulations, guidelines, circulars etc., citing lack of clarity or knowledge of any requirement will entertained by the Authority.

9. This issues with the approval of the Competent Authority.

-Sd-
(R. Kumar)
CGM & Head of Banking Supervision

Copy to:

All Departmental/Divisional Heads, IFSCA, for further appropriate action, and with the request to bring ensure that REs concerned are made aware of the above without fail.