

CIRCULAR

efile No. IFSCA-FCR0FCR/5/2025-Banking/01

July 1, 2025

To: All Finance Companies / Finance Units

Dear Sir/ Madam,

Subject: Guidance on submission of requests pertaining to changes requiring prior approval/ intimation to the Authority.

- Reference may be drawn to the International Financial Services Centres Authority (Finance Company) Regulations, 2021 ('FC Regulations'), which requires a Finance Company/ Unit (FC/FU) to obtain prior approval or to intimate the Authority in certain cases.
- 2. With a view to facilitating uniformity and ease of doing business for the Regulated Entities (REs), the Authority hereby issues a 'Guidance Note' outlining the process to be followed by FCs/FUs for such requests and the documents to be submitted in each case. The 'Guidance Note' is placed as **Annexure 1** to this circular. All FCs/FUs are advised to strictly adhere to same while submitting any requests to the Authority.
- 3. The RE shall submit its request to the respective Division of IFSCA, based on the nature of request as indicated in the table below:

No.	Nature of Request	Division of IFSCA
1	Change in Management/	Division of Supervision of Finance Companies,
	control of the RE	Department of Banking Supervision
2	Change of Name of the RE	Same as above
3	Broad banding of activities of	Same as above
	RE	
4	Voluntary Surrender of	Same as above
	Registration by RE	
5	Pre-facto waiver/ exemption	Division of Finance Company Regulations,
	from any applicable	Department of Banking Regulation.

	regulations/	guidelines/	
	circulars		
6	Any other request		Division of Supervision of Finance Companies,
			Department of Banking Supervision

Table 1: Type of request and concerned Division

- 4. This Circular is issued in exercise of the powers conferred under Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.
- 5. The provisions of this Circular shall come into force with immediate effect.
- 6. A copy of this Circular is available on the website of the International Financial Services Centres Authority at https://ifsca.gov.in/Legal/Index.

Yours faithfully,

Supriyo Bhattacharjee (Chief General Manager) (Head - Department of Banking)

Guidance Note

- A. This document provides for the mandatory documents to be submitted by the RE for consideration of its request (s) in relation to matters outlined in Table 1 of this circular. However, the RE may submit any other documentation to support its request or as may be sought by the Authority for processing.
- B. All words and expressions used herein shall have the same meaning as assigned under the FC Regulations, unless otherwise specified.

Types of Requests and Corresponding Documentation:

1. Change in Management/control of the RE

Explanation: As per regulation 8(2) of the FC Regulations: "Any mergers, acquisitions, takeovers or change in management of a Finance Company, which results in its change in control of at *least twenty per-cent*. of total share capital, or of business decisions under an agreement, shall be subject to prior approval and such other requirements as may be specified by the Authority:

Provided that merger, acquisitions, takeovers or change in management in the parent of a Finance Unit shall be in compliance to its registration requirements and shall be intimated to the Authority within a period of 15 days from the date of such event."

<u>Applicability</u>: Prior approval is required only for entities which are registered as a Finance Company and are permitted to undertake core activities. Whereas, in case of FCs permitted to undertake non-core activities, Global/ Regional Corporate Treasury Centre (GRCTC) and operating as a FU only intimation is required.

- **1.1.** In view of the above regulation, the RE is required to submit the following documents for seeking **prior approval for change of management/ control**:
 - (i) A formal request letter¹
 - (ii) Board Resolution or other equivalent document, indicating the purpose for undertaking the change of management.
 - (iii) The new shareholding pattern and the complete group structure of the entity (which would be in effect post change of management) upto the UBO² level (UBO being a natural person).

¹ All request letter shall be on the letterhead of the RE and shall be signed by the authorised person of such entity.

² Definition of UBO shall be as per Companies Act, 2013.

(iv) The following details of the proposed promoters:

a. Nature of promoter:

- i. Being an incorporated entity: Constitutional documents (CoI, AoA, MoA) and the audited financial statements of the previous three years.
- ii. Being a natural person: Net-worth statement (not older than 6 months from the date of request).
- iii. Being a partnership firm: Constitutional documents (i.e. partnership agreement) and the audited financial statements for the previous three years.
- iv. Being a trust: Details on the beneficiaries of the trust and the net-worth of the trust.
- v. Being a Fund: Details the size of the fund for the past three years, total number of investors, whether the fund is a broad-based fund and details of the anchor investor, if any, and its contribution.

b. Sources of funds of the proposed shareholders acquiring the shares in the RE.

- (v) Self-certified 'Information on Management' (IOM) as per *Appendix I* to this Annexure, for the following individuals:
 - a. Proposed new promoters (being natural person).
 - b. Proposed additional director(s).
 - c. The UBO of the entity (being natural person), if there is any change in the UBO submitted earlier.
- (vi) Fees: Processing fee as per provisions of the IFSCA Fee Circular³ along with copy of the SWIFT/MT103 confirming remittance of the said fees.
- 1.2. In case the change of management/ control of the entity is below 20% of the share capital, the following documents shall be submitted (this requirement flows from the condition of the Certificate of Registration (CoR) on any material change in information submitted at the time of grant of CoR):
 - (i) A formal intimation letter along with the copy of the Board resolution or equivalent document inducting the new shareholders.
 - (ii) If the change in shareholding leads to change in UBOs, Documents as at point 1.1. v. above may be sought.

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³ Refer Circular No. IFSCA-DTFA/1/2025, titled 'Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme' dated April 08, 2025.

2. Change of Name of RE

Explanation: If a Registered Entity (RE) changes its name, it must notify the Authority of the change. The following documents shall be submitted by the RE in such case:

- (i) A formal intimation letter from the entity on the matter
- (ii) Copy of Board resolution or equivalent document indicating the change in name of the entity.
- (iii) Copy of Certificate of Incorporation (indicating the new name of the entity) or in case of Limited Liability Partnership (LLP) the relevant constitutional document on the matter.
- (iv) Fees: Processing fee as per the applicable provisions of IFSCA Fee Circular along with copy of the SWIFT/MT103 confirming remittance of the said fees.
- (v) Revised Letter of Approval (LOA) from the IFSCA Administrator, if applicable

3. Broad banding of activities of the RE:

Explanation: The Certificate of Registration is granted to entities for undertaking specific activities and in case an entity intends to undertake any additional activity, the same may be considered as substantive change in the information submitted by the entity, if otherwise stated in this circular. Following information are to be furnished to the Authority in such cases:

3.1. Case 1: In case the new activity(ies) proposed are regulated under the FC Regulations.

Example: An entity undertaking lending activity as a Finance Company under regulation 5(1)(ii)(a) intends to undertake activity of 'factoring' under regulation 5(1)(ii)(b) of the FC Regulations.

3.1.1. In any such case, the entity is required to submit the following documents:

- (i) A formal request letter
- (ii) Board resolution indicating the intent of the entity to undertake the additional activity (ies).
- (iii) Revised Business plan and projected financials highlighting the existing and the new activity to be undertaken, including the assumptions therein.
- (iv) Experience of the Key Managerial Persons (KMP) in handling the proposed activity (ies).
- (v) In case the matter is accompanied by change in the management / shareholding, RE required to submit the documents as sought in point 1 of this circular.
- (vi) Fees: Processing fee as per provisions of the IFSCA Fee Circular along with copy of the SWIFT/MT103 confirming remittance of the said fees.

3.2. Case 2: In case the new activities proposed to be undertaken are regulated by regulations/ frameworks other than FC Regulations.

Example: An entity undertaking lending activity as a Finance Company intends to undertake investment management activity (regulated under the IFSCA (Capital Market Intermediaries) Regulations)

3.2.1 In any such case, the entity is required to submit the following documents:

- (i) Prior to Broad banding of activity for issuance of No-objection certificate (NoC):
- a. A formal request letter (on the letterhead of the company).
- A Processing fee as applicable as per schedule I of the IFSCA Fee Circular along with SWIFT/MT103 of the remittance made.
- c. Board resolution indicating the intent of the entity to broad band it's activities.
- (ii) After Broad-banding is approved: The entity to submit an intimation letter stating that it has been registered for undertaking the additional activity along with Certificate of Licence/Registration/Authorisation pertaining to the said activity.

4. Voluntary Surrender of Registration by RE

Explanation: The application/ submission for voluntary surrender shall be made by the entity to IFSCA along with submission of information as sought in the voluntary surrender form attached at *Appendix II* of this Annexure.

5. Pre-facto waiver/exemption/relaxation from any applicable regulations/guidelines/circulars applicable for Finance Company/Unit.

Explanation: Such pre-facto waiver/ exemption/ relaxation would include:

- (i) Relaxation from strict enforcement of any requirement of the FC Regulations, as specified under regulation 10(A)(2) of the FC Regulations.
- (ii) Relaxation form any of the provisions of 'Framework for Aircraft Lease' dated May 18, 2022, as amended from time to time, as specified under clause 5.Q of the said Framework.
- (iii) Relaxation from any of the provisions of 'Framework for Ship Leasing' dated August 16, 2022, as amended from time to time, as specified under clause 3.Q of the said Framework.
- (iv) Relaxation from the requirement of employment of certain number of qualified personnel, as specified under clause 3(2)(ii) of the 'Framework for Finance Company/ Finance Unit undertaking the activity of Global/Regional Corporate Treasury Centres' dated April 4, 2025, as amended from time to time.

- (v) Relaxation from strict enforcement of any requirement of the 'Guidelines on setting up and operation of International Trade Finance Service Platform' dated December 23, 2024, as amended from time to time, as specified under clause 20 of the said guidelines.
- (vi) Waiver of whole or part of any fee, specified under the IFSCA Fee Circular, as specified under clause 12 of the said circular.
- (vii)Any other waiver/exception/relaxation from any applicable regulations/guidelines/circulars applicable for Finance Company/Unit.
- **5.1.1** In any such cases, the entity is required to submit the following documents:
 - (i) A formal request letter along with the applicable processing fee as per the provisions of the IFSCA Fee Circular, along with necessary supporting documents, to support the exemption/ waiver request.

Information on the Management (IOM)*

(Separate form should be submitted in respect of each individual)

Sr. No.	Particulars	Response	Remarks by IFSCA
1)	Name		
2)	Director Identification Number (DIN)		
3)	Designation in company		
4)	Nationality. If not an Indian citizen, please specify country and Passport Number and copy of the Passport	Country: Passport Number:	
5)	Date of Birth Age as on the date of application	DD\MM\YYYY Age: Yrs.	
6)	Business Address (along with Phone, Fax and Email)		
7)	Residential Address (along with Phone, Fax and Email) with supporting document		
8)	Permanent Account Number (PAN) under Income Tax Act, if applicable		
9)	Educational/professional qualifications		
10)	Experience if any, in the Financial Services Sector. (Details such as name of the company, designation held, experience in years etc. should be provided)		
11)	Is the promoter/director associated with any other entity in any capacity? If yes, please furnish the name(s) of other organizations or entities or associations or unincorporated entities in which the person has held the post of Chairman or Managing Director or Director	Yes/No	

	or Chief Executive Officer or associated with the above	
	entities in any other capacity indicating the activity of	
	the company and regulators, if any.	
	Declaration: I, Mr./ Ms promoter/director of	
12)	(Name of applicant company) confirm that I have not	
	accepted public deposit ⁴ as defined in the Regulations	
	Has the promoter/director or any relative of the director	
	or the companies/entities in which the director is/was	Yes/No
	associated with, are in default or have defaulted in the	
13)	past in respect of credit facilities obtained from any	
13)	entity or bank?	
	•	
	If yes, please furnish information about the default and	
	the name of the lending institution.	
	Whether the promoter/director has been disqualified	
	to act as promoter/director under any law in any	
14)	jurisdiction where the applicant entity or the group	Yes/No
	companies of the applicant entity are operating	
15)	Name/s of the companies, firms, partnership firms, in	
	which the promoter/director holds substantial interest.	
	Whether the company or any of its	
	promoter(s)/director(s) was/is involved in any	Yes/No
	investigation /disciplinary action /legal or regulatory	
16)	violations /criminal case by any law enforcement	
	/regulatory agencies?	
	If yes, please furnish details.	
	Whether any order has been passed by any	Yes/No
17)	bankruptcy / resolution authority against any company	
	with which the promoter(s)/director(s) are associated?	

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⁴ The term "public deposit" is defined under Chapter 1, section 2, sub-section 1(j) of IFSCA Finance Company Regulations, as "Public deposit", for the purposes of these Regulations shall mean an amount raised from a resident or a non-resident, in any form which is repayable on demand or is a term deposit and includes such other amount as may be specified by the Authority from time to time;

^{*} Response (details, if any) to any of the questions herein, may not necessarily impair our assessment towards fitness and propriety of the applicant. However, deliberately withholding information or providing false or misleading information may be viewed adversely.

If yes, please furnish details.		
Credit report/ Information / Score		
(Adverse remarks, if any to be incorporated)		
Signature:		
Name:		
Designation		
Company Seal:		
Date: Place:		
	(Adverse remarks, if any to be incorporated) Signature: Name: Designation Company Seal:	(Adverse remarks, if any to be incorporated) Signature: Name: Designation Company Seal:

Form pertaining to request of withdrawal of Certificate of Registration (Voluntary Surrender of CoR)

{Refer point 4 of the Annexure}

	Decision on wit	hdrawal of CoR	
1.	Reasons/justifications for seeking	(Please attach separate sheet if	
	withdrawal of CoR	required)	
2.	Has the decision for withdrawal of CoR	Yes/No	
	been taken at the level of the	If 'Yes', please furnish documentary	
	Board/Partners/Trustees (as applicable)	proof (Board resolution, etc) of the	
	of (Name of Company)	decision	
	Permitted activities of (Name	of Company) in the GIFT IFSC	
3.	Has <u>(Name of Company)</u> undertaken	Yes/No	
	any activity(ies) in the GIFT IFSC since		
	grant of CoR dated		
4.	If the answer to the above is 'Yes',		
	i. Has <u>(Name of Company)</u> undertaken	Yes/No	
	only such activity(ies) in GIFT IFSC as	If 'No', please give details along with	
	permitted by the said CoR	reasons, and date by which all non-	
		permitted activity(ies) will be stopped.	
	ii. Has (Name of Company) ceased all	Yes/No	
	activity(ies) as permitted by the said	If 'No', please furnish reasons alongwith	
	CoR	the date by which all activities will be	
		completely ceased	
	iii. Have all applicable regulations,	Yes/No	
	circulars, guidelines and directions	If 'No', please give details along with	
	issued by the IFSCA or the	reasons	
	Government of India or any other		
	relevant authority(ies) been abided by		
	w.r.t. permitted activities carried out		
	by <u>(Name of Company)</u>		

	Protection of stakeholders' interest		
5.	Have all clients (if any)	Yes/No	
	/creditors/employees and other	If 'No', please furnish reasons alongwith	
	stakeholders (w.r.t. the permitted	the date by which all the stakeholders	
	activities) of (Name of Company) in the	be notified	
	IFSC, been notified in regard to its		
	decision to cease permitted activities in		
	GIFT IFSC		
	iv. Has (Name of Company) transferred	Yes/No/NA	
	or is proposing to transfer any of its	If 'Yes', please furnish details of	
	client(s) (if any) to another entity/unit	transfer, including entity to which	
	either in the IFSC or regulated by any	transfer has been made.	
	other Financial Services Regulator	If 'No', furnish details of existing clients	
		and steps taken to protect their	
		interests	
6.	Have all complaints, both existing and	Yes/No/NA	
	potential (as assessed by the (Name of	furnish details of complaints (except for	
	<u>Company</u>) in light of evidence available)	'NA'),	
	been resolved	If 'No', furnish details of steps taken for	
		and expected date of resolution.	
7.	Are there any legal proceedings, or	Yes/No	
	investigation anticipated (as assessed by	If 'Yes', furnish details, including steps	
	(Name of Company) in light of evidence	taken for resolution	
	available) or ongoing against (Name of		
	Company)		
8.	Have arrangements been put in place to	Yes/No	
	ensure that all records of (Name of	If 'Yes', furnish details including method	
	<u>Company)</u> are retained in a safe place	of access to records	
	and are accessible as and when	If 'No', furnish reasons, including steps	
	required, including on all matters relating	taken to ensure availability of records in	
	to (Name of Company) performance,	future	
	financials, material changes and		
	regulatory reporting		

	Information w.r.t. winding up of company		
9.	Is (Name of Company) moving for	Yes/No	
	voluntary strike off from the Register of	If 'No', furnish reasons for continuation	
	Companies		
	Residual matters		
10.	Are there any other issue(s) that in the	Yes/No	
	opinion of <i>(Name of Company)</i> need to	If 'Yes', furnish details of action	
	be resolved by the Authority before	expected from the Authority	
	withdrawal of the CoR granted		
