



International Financial Services Centres Authority

CIRCULAR

IFSCA-DTFA/1/2025-DTFA

February 26, 2025

To

All Regulated Entities in International Financial Services Centres (IFSC)
All applicants to the International Financial Services Centres Authority (IFSCA)

Madam/Sir

Interest on late payment of fee by entities undertaking permissible activities in IFSC

Please refer to IFSCA Circular dated May 17, 2023 which was amended on February 06, 2024, wherein fee structure has been provided for the entities undertaking or intending to undertake permissible activities in IFSC.

2. Attention is invited to Schedule II of the aforementioned Circular as per which in the event of failure to pay outstanding dues/fees to the Authority within the specified time, twenty percent (20%) of outstanding fee or outstanding dues payable, plus fifteen percent (15%) interest per month till the time the fee/dues remain outstanding after due date (part of the month being considered as full month) is required to be paid in addition to the originally applicable fee.
3. In this regard, it is hereby clarified that the fifteen percent (15%) simple interest per month is required to be paid on the late fee only, i.e. on the twenty percent (20%) of outstanding fee or outstanding dues payable. The same is explained with an illustration below:



An entity is required to pay a fee of USD 1,000 by March 31, 2024. The same is, however, paid late on June 30, 2024. In this case, the entity is required to pay the following amounts to IFSCA:

- *Originally applicable fee (A): USD 1,000*
- *Late fee (B): USD 200 (20% of A)*
- *Interest on late fee (C): USD 90 [(15% of B) X 3 months]*
- ***Total fee payable to IFSCA (D): USD 1,290 (A + B + C)***

4. Further, with effect from March 01, 2025, S. No. 1 of Schedule II to the aforementioned Circular shall be substituted with the following:

S. No.	Event	Amount of fee	Reference clause in
1.	Failure to pay outstanding dues / fees, in full (unpaid) or part (short-paid), to the Authority within the specified time.	Simple interest of 0.75% per month on the amount of fee remaining unpaid or short-paid, for every month of delay or part thereof to the Authority.	10 (i)

5. Interest payable on the amount of fee remaining unpaid or short-paid, with effect from March 01, 2025, is further explained with illustrations below:

Illustration 1:

An entity is required to pay a fee of USD 1,000 by March 31, 2024. The same is, however, paid late on March 05, 2025. In this case, the entity is required to pay the following amounts to IFSCA:

- *Originally applicable fee (A): USD 1,000*



- *Late fee (B): USD 200 (20% of A)*
- *Interest on late fee for the period April 01, 2024 - February 28, 2025 (C): USD 330 [(15% of B) X 11 months]*
- *Interest for the period March 01 – 05, 2025 (D): USD 7.50 [(0.75% of A) X 1 month]*
- **Total fee payable to IFSCA (E): USD 1,537.50 (A + B + C + D)**

Illustration 2:

An entity is required to pay a fee of USD 1,000 by March 31, 2025. The same is, however, paid late on July 15, 2025. In this case, the entity is required to pay the following amounts to IFSCA:

- *Originally applicable fee (A): USD 1,000*
- *Interest for the period April 01 – July 15, 2025 (B): USD 30 [(0.75% of A) X 4 months]*
- **Total fee payable to IFSCA (C): USD 1,030 (A + B)**

6. A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully

(Ramaneesh Goyal)

Deputy General Manager

Department of Treasury, Finance and Accounts