



### **IFSCA: The Growing Future For Company Secretaries**

The Viksit Bharat mission is the roadmap or key component to make India a completely developed nation by 2047, and one of the sectors which is establishing its place in Indian market is “International Financial Service Centre Authority” (“IFSCA” or “Authority”). In this article you can read more about IFSCA and emerging opportunities of Company Secretary (“CS”) Professional in IFSC sector. Let us first understand what is IFSCA and why IFSCA?

#### **What is International Financial Service Authority (“IFSCA”)?**

IFSCA is a regulatory agency for development of financial products, financial services, financial institutions, and commodity market in the international financial service centre (“IFSC”) in India. Examples of IFSC companies are Axis Bank Limited-IBU, Edelweiss Securities (IFSC) limited. IFSCA was established on April 27, 2020 under International Financial Service Authority Act, 2019 (“Act”). The International Financial Services Centre is in Gujarat International Finance Tec-City (“GIFT City”). IFSCA is for special economic zone of India such as GIFT IFSC. Currently there is only one IFSC being developed in India, Gift City, in Gandhinagar, Gujarat. IFSCA regulates with capital flow of funds internationally

The vision of IFSCA: *“To provide world-class regulatory environment and develop IFSCs into leading Global Financial Centres with a primary focus on India's economic development apart from serving as a regional and global financial hub”.*

### **Why International Financial Service Authority (“IFSCA”)?**

We all know for every different sector in India we have an regulatory authority. Prior to IFSCA the domestic financial regulators were SEBI, RBI, IRDAI, PFRDA, etc. that clearly means no consistent or specific law or regulatory for domestic financial.

IFSCA after establishment has developing a strong base of international financial services in India. By various initiative by IFSCA regional and global hub for international financial services has increased. IFSCA is established under The International Financial Services Centre Authority Act, 2019 and the act itself provides establishment of IFSCA to develop and regulate the financial services market in the International Financial Services Centres in India and for matters connected therewith or incidental matters thereto. IFSCA provides a state-of-the-art unified regulatory framework, with robust regulation and supervisory technology aligned with international best practices. Most importantly IFSC work totally in a separate jurisdiction within India which is state as Special Economic Zone and this jurisdiction is considered as non-resident zone under Foreign Exchange Management Act and Regulations.

***“As of May 2024, more than 628 + entities across Banks, Capital Markets, Insurance, FinTech, Aircraft Leasing, Ship Leasing, Bullion Exchange, etc have been registered with IFSCA.”***

Some objective and functions of the IFSCA are as follows:

- Establishment of IFSCA was with a vision to have the uniform law of financial services in IFSCs.
- The main objective of IFSCA is to facilitate ease of doing business to IFSCs.
- One of the goal of IFSCA is to have better international reach.
- As the sector of IFSCs are developing, contribution by them to viksit bharat mission is becoming bigger.
- IFSCA support and develops the concept of Fin-tech.

Now, let us discuss on the main aspect of this article, but before that let us understand,

## **Addition of more feathers in the cap of Company Secretary:**

### ***Company Secretary-“The Governance Professionals, which you don’t just want,***

Institute of Company Secretaries of India (“ICSI”) issued a notification dated 22<sup>nd</sup> October, 2021, announced Recognition of the Practicing CS under IFSCA (Registration of Insurance Business) Regulations, 2021, IFSCA (Insurance Intermediary) Regulations, 2021 and IFSCA (Capital Market Intermediary) Regulations, 2021. And this amendment in the above mentioned regulations opened the gate for CS in practice in IFSC sector.

Further, IFSCA issued a notification dated 04<sup>th</sup> January, 2024 stating recruitment for the post of Chief General Manager (Risk Management) for which minimum qualification required list includes “CS” (with minimum experience requirements), a clear example which states that the gate of IFSC sector are open for CS in employment too.

IFSCA sector been a developing sector, can emerge more opportunities for CS in practice and in employment. Taking benefits of emerging opportunities in IFSCs following are the areas for CS in practice and employment to grow: International finance, International arbitration, International taxation, Banking, Insurance, Listing of IFSCs, Fin-tech, Other International Compliances, etc.

### **Initiatives by ICSI:**

- ICSI in back 2021 when the IFSCA was in proposal stage submitted a consultation paper to the for recognition of CS u der IFSCA, and it was a breeze through, IFSCA in a notification announced recognition of CS under IFSC laws
- ICSI announced New syllabus for the student as a regular practice and after immediately notification of IFSCA in which Institute has added chapter specifically dedicated for IFSCA.
- Institute has arranged webinars on IFSCA which are being live streamed on YouTube, that mean anyone can get benefit of the same.

- ICSI issue on monthly basis a journal known as Chartered Secretary, and Chartered Secretary for the month of August 2024 was devoted for IFSCA.

### **Future:**

Many gates are about to open for professionals like CS. On 11<sup>th</sup> December, 2023 Hon'ble Prime Minister Shri Narendra Modi launched “Viksit Bharat: Voice of youth”, where he focused on the role of educational institutions in a individual's personality development. And now under this many of the educational campaign are running in various educational institutions across the country.

***Good Things  
Take Time!!***

As the dynamic nature of business in the IFSCs requires a high degree of inter regulatory coordination within the financial sector, the role of the professional including CSs are very important. And this dynamic nature of business is a welcoming opportunity for a CS to grow into IFSC sector. ICSI is also in the process to emerge more topics relating to the IFSCA for students. The future of the CS in the IFSCA sector of will of golden opportunities.

### **Reference:**

- [https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2F59-ifsc-act-2019\\_mol-j09092020074609.pdf&Title=The%20International%20Financial%20Services%20Centres%20Authority%20Act%2C%202019&Date=19%2F12%2F2019](https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2F59-ifsc-act-2019_mol-j09092020074609.pdf&Title=The%20International%20Financial%20Services%20Centres%20Authority%20Act%2C%202019&Date=19%2F12%2F2019)
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