DARSHAN MALA SERIES (DMS)

11-point executive summary *on the significant advantages of the International Financial Services Centre (**IFSC**) at GIFT City, India, over Singapore as an international financial centre*

*The **executive summary discusses matters that** have been **reported in the public domain**.*

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The Significant advantages of IFSC in India over IFSC in Singapore

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11-Point Executive Summary

- ***Significant Advantages of IFSC in India over IFSC in Singapore*** *under* ***the Weekly Darshan Mala Series (DMS)***

- *I am delighted to share an* ***11-point executive summary on the significant advantages of the International Financial Services Centre (IFSC) at GIFT City, India, over Singapore as an international financial centre****, particularly from the perspective of a Singapore-based businessman seeking India-linked international financial opportunities.*

1. India Access and an International Financial-Centre Framework

(i) This is probably the ***biggest differentiator****.*

*(ii) The Gujarat International Finance Tec-City International Financial Services Centre (****GIFT IFSC****) in India has been specifically designed to serve the Indian economy while functioning as an international financial platform.*

(iii) The ***International Financial Services Centres Authority (IFSCA)*** *has been established as the unified regulatory framework for financial activities undertaken in the IFSC.*

(iv) For a Singapore businessman seeking significant exposure to India, GIFT IFSC can therefore offer a strategically different proposition from simply investing in India through Singapore.

2. One Dedicated Financial Regulator

(i) The IFSCA functions as a ***unified regulator*** *for financial products, financial services and financial institutions operating within the IFSC.*

(ii) Banking, capital markets, insurance, funds and several other financial activities are brought within this regulatory framework.

(iii) This provides an important structural advantage over India's ordinary domestic financial system, where financial activities are regulated by different sector-specific regulators.

3. A Foreign-Currency Financial Ecosystem within India

(i) GIFT IFSC has been developed around international and foreign-currency financial activities rather than conventional domestic rupee banking.

(ii) The IFSCA is also developing the ***Foreign Currency Settlement System*** *for International Banking Units.*

(iii) For a Singapore businessman, this can be particularly relevant for international treasury, financing, investment and cross-border financial operations connected with India.

4. India-Based International Treasury Centre

(i) GIFT IFSC permits ***Global or Regional Corporate Treasury Centre*** *activities.*

(ii) The IFSCA has reported more than ***USD 5.6 billion of credit outstanding through treasury centres as on March 31, 2026****.*

(iii) This creates a potentially attractive alternative for an India-connected multinational that might otherwise consider locating its treasury operations exclusively in Singapore.

5. Aircraft and Ship Leasing

(i) GIFT IFSC has developed a dedicated ecosystem for ***aircraft and ship leasing****.*

(ii) The IFSCA has reported ***410 aviation and ship assets leased as on March 31, 2026****.*

(iii) This is a specialised financial-services segment in which GIFT IFSC is seeking to compete with established international centres, including Singapore and Ireland.

6. Fund Management for India and Global Investments

(i) *IFSC fund structures can provide an international investment platform while being located in India.*

(ii) *The IFSCA has reported approximately* ***USD 39 billion of cumulative commitments raised by funds in the IFSC as on March 31, 2026****.*

(iii) *This becomes particularly attractive where an investor or investment group seeks a platform capable of combining* ***India-focused investments with international investment opportunities****.*

7. Tax Incentives Specifically Designed for Eligible IFSC Businesses

(i) *Certain qualifying activities undertaken through an eligible IFSC unit may receive significant* ***Indian tax incentives****.*

(ii) *Recent policy measures have also extended or enhanced the tax-holiday framework applicable to qualifying IFSC businesses.*

(iii) *However, this area requires careful structuring and professional tax advice. GIFT IFSC should* ***not be characterised as a blanket zero-tax jurisdiction****, and the applicable provisions relating to Minimum Alternate Tax (MAT), tax holidays, eligibility conditions and other direct and indirect tax consequences must be examined on a case-by-case basis.*

8. Indian Professional and Technology Ecosystem

(i) *This is an important but sometimes under-appreciated advantage.*

(ii) *A financial institution operating from GIFT IFSC can potentially combine:*

(a) *International financial regulation*

(b) *Foreign-currency financial operations*

(c) *India's substantial accounting, legal, technology and professional talent pool*

(d) *Comparatively competitive operating costs*

(e) *Proximity to India's large and rapidly developing corporate market.*

(iii) *For a large* ***back-office operation, Global Capability Centre (GCC), fintech platform or treasury operation****, this combination can be commercially compelling.*

9. India-Focused Wealth Management Is Developing Rapidly

(i) *The development of wealth-management activities within GIFT IFSC demonstrates that the centre is gradually expanding beyond institutional and wholesale finance.*

(ii) *International financial institutions are increasingly exploring opportunities to provide wealth-management and investment products through GIFT IFSC.*

(iii) *This indicates the potential emergence of a broader wealth-management ecosystem serving Indian and international investors.*

10. The "Singapore and India" Strategy

(i) *This may ultimately be the* ***most commercially interesting proposition****.*

(ii) *A Singapore businessman does not necessarily have to choose between Singapore and GIFT City.*

(iii) *A possible group structure could be:*

- ***Singapore***

  → Global or ASEAN headquarters

  → International banking and commercial operations

  → Regional business management

- ***GIFT IFSC***

  → International investment, fund or treasury platform

  → India-related investments

  → Aircraft and ship leasing

  → Other qualifying international financial activities

- ***India***

  → Operating subsidiaries

  → Manufacturing, services or other operating businesses

  → India-focused commercial activities

(iv) *Such a structure could allow Singapore to remain the **global or ASEAN base**, while GIFT IFSC functions as the **India-linked international financial platform**.*

11. Overall Assessment

(i) *If I were advising a Singapore businessman, I would **not recommend shifting everything from Singapore to GIFT City**.*

(ii) *Instead, I would ask:*

"Why choose only one, when Singapore and GIFT City can perform different functions within the same international group?"

(iii) *Singapore currently possesses a much deeper and more mature ecosystem for **global private banking, family offices, international asset management and regional financial services**.*

(iv) *GIFT IFSC, however, has a potentially powerful and distinctive advantage in **India-linked international finance**.*

(v) *The growth of GIFT IFSC is significant.*

(vi) *The IFSCA reported substantial activity across banking, foreign-exchange turnover, fund management and registrations/authorisations, demonstrating the rapid development of the IFSC ecosystem as on March 31, 2026.*

• *Conclusion*

- *The strategic proposition should therefore not be that* ***"GIFT City is better than Singapore."***

- *Rather:*

(i) ***"GIFT City should not try to replace Singapore. Its opportunity is to become the preferred international financial bridge between India and the world."***

(ii) *That is a much stronger, commercially realistic and more defensible proposition than simply arguing that* ***GIFT IFSC is better than Singapore****.*

(iii) *For a Singapore-based businessman, the real opportunity may therefore lie in developing a* ***Singapore + GIFT IFSC + India*** *strategy, under which each jurisdiction performs the function for which it has the greatest strategic advantage.*

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