Playbook on International Financial Services Centre for non-resident Indians

February 2026

Foreword

K. Rajaraman
Chairman, IFSCA

Launched in 2007, Gujarat International Finance Tec-City (GIFT) City reflects India's ambition to establish a world-class International Financial Services Centre (IFSC). Since its inception, the GIFT IFSC has served as a beacon for innovation, operational excellence, and global connectivity—reshaping India's role on the international financial stage.

At the IFSCA, our vision is to position the GIFT IFSC as a lighthouse for international capital, strengthened by trust and governed by forward-looking regulation, thereby enabling market participants to transact and collaborate with confidence.

For non-resident Indians (NRIs), the GIFT IFSC represents a uniquely inviting and inclusive ecosystem. We recognise the distinctive position NRIs hold, connecting India with the world. With regulatory simplicity, competitive product offerings, and world-class infrastructure, the GIFT IFSC empowers NRIs to confidently navigate the complexities of global finance with ease and security.

Looking forward, the GIFT IFSC is poised to evolve as a dynamic global nexus, connecting NRIs and international investors with India's expansive financial economy. It encapsulates a future in which financial flows transcend borders effortlessly, enabling NRIs to invest with confidence while contributing meaningfully to India's economic growth and global integration. The IFSC offers boundless opportunities—from embracing sustainable finance and FinTech innovations to unlocking new avenues in capital markets and wealth management.

Central to this progress is a robust, transparent, and progressive regulatory framework that fosters trust and confidence among all stakeholders. The IFSCA remains committed to creating an environment that balances innovation with prudent governance, thereby ensuring that the IFSC remains a secure and efficient platform for global financial activities.

This 'Playbook on IFSC for NRIs', thoughtfully prepared by PwC, is an important resource bringing clarity and practical insights to help you explore the available opportunities. We hope that it serves as a trusted companion for you to understand, explore, and confidently participate in GIFT IFSC's promising future.

We invite you to join us on this journey—with openness and optimism—as together we build a stronger connection between you and India's financial opportunities.

Preface

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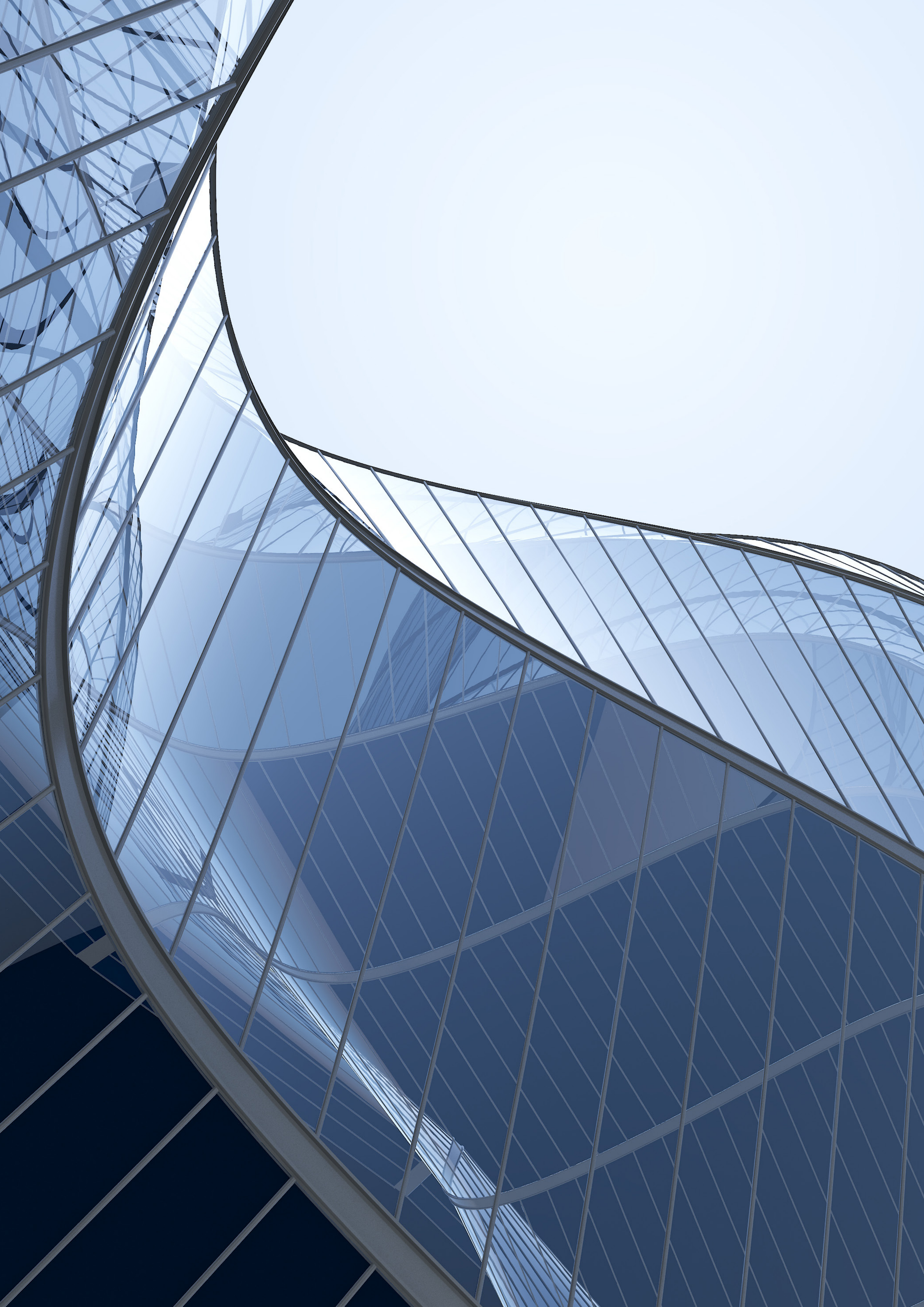
In 2025, India's nominal GDP surpassed $4 trillion,[1] marking a defining moment in its sustained economic rise and growing global influence. It took nearly 60 years after independence for India to reach its first $1 trillion milestone. Since then, the country's economic growth has accelerated significantly. Within this broader story, financial services have emerged as a central engine driving innovation, expansion, and international engagement.

Launched in 2007, GIFT City reflects India's ambition to establish a world-class IFSC. Designed as an integrated financial hub within a smart city framework, the GIFT IFSC provides a robust platform for banking, insurance, capital markets, asset and wealth management, and FinTech and access to international currencies and markets. Supported by a forward-looking regulatory regime and modern infrastructure, it is positioned to attract leading global financial institutions, businesses, investors, and NRIs seeking seamless access to India's growth story.

This playbook offers NRIs clear and practical insights into the advantages and opportunities available within the GIFT IFSC. By demystifying the regulatory environment, outlining key financial products, and highlighting strategic considerations, it serves as a practical roadmap to help one navigate and capitalise on this evolving ecosystem. We invite you to explore how the GIFT IFSC can strengthen your engagement with India's dynamic financial landscape.

We extend our sincere gratitude to the contributors and stakeholders whose expertise has shaped this publication. We hope this playbook encourages deeper collaboration, innovation, and shared prosperity across the GIFT IFSC community and beyond.

1 https://www.imf.org/external/datamapper/profile/IND



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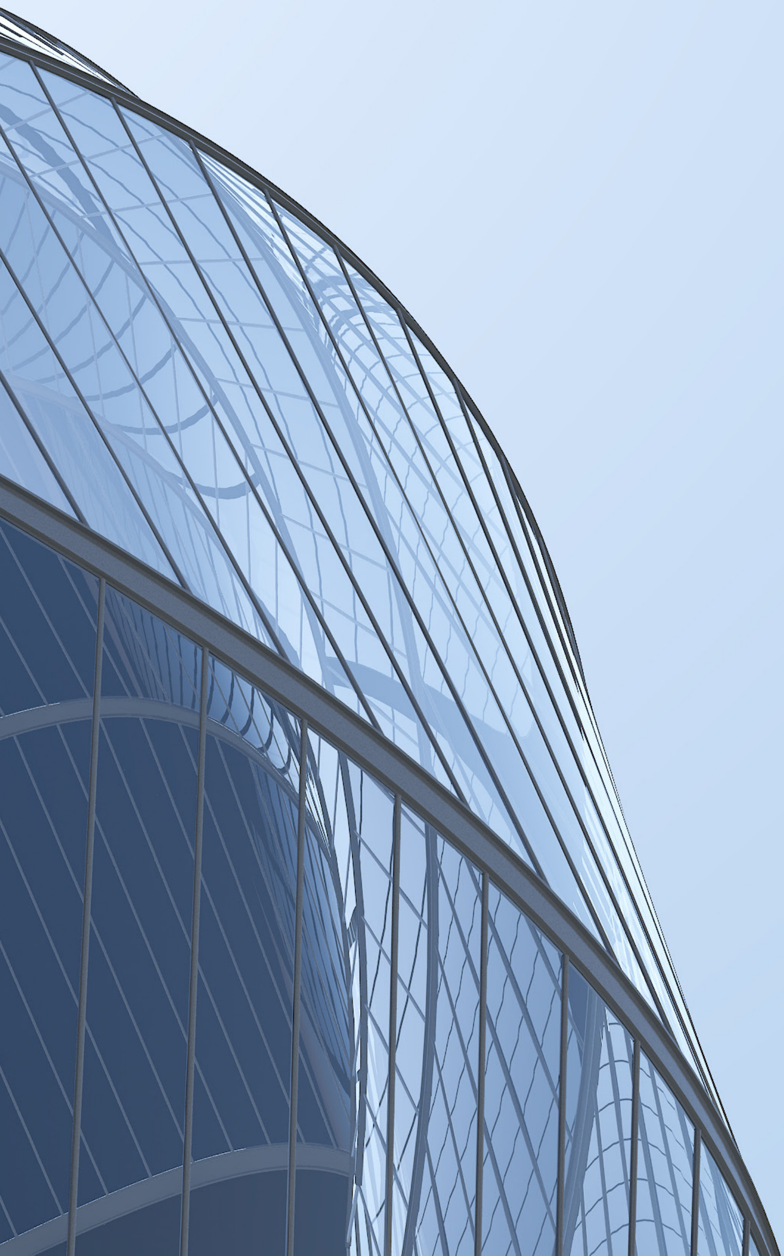


01

Global NRI investor landscape

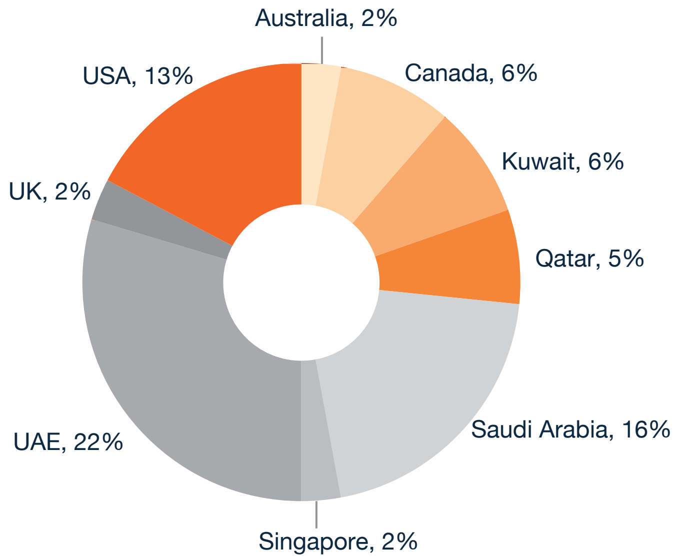
NRIs: Forever linked to India's growth and heart

NRIs remain deeply connected to India's economic, social, and cultural fabric. Despite residing abroad, they contribute significantly through remittances, investments, and business initiatives. Today, India has emerged as one of the most attractive investment destinations for more than 15 million NRIs[2] globally.

Their engagement extends well beyond financial capital. NRIs maintain enduring cultural, social, and intellectual ties that reinforce a multifaceted relationship with India. This sustained connection is reflected in their active participation across India's banking, real estate, and capital markets, supporting economic expansion and development. Over time, evolving regulatory policies and streamlined financial systems have made it easier for NRIs to engage with India's economy, strengthening confidence and encouraging deeper involvement. As India advances on its growth and globalisation journey, its partnership with the NRI community remains vital to unlocking opportunity and driving inclusive progress.

The NRI population is widely dispersed, reflecting a truly global diaspora. As of January 2026, the Gulf region hosted the largest concentration, led by the UAE, Saudi Arabia, Kuwait, Qatar, Oman, and Bahrain. The UAE alone accounts for more than 3.5 million NRIs. The US has an NRI population of approximately 2.1 million. The UK is home to around 369,000 NRIs, while Canada and Australia host more than 1 million and 350,000 respectively. Singapore and Malaysia also accommodate several hundred thousand NRIs.[3] This broad geographic footprint highlights the diaspora's global reach and influence.

Figure 1: Countries with major NRI population (%)



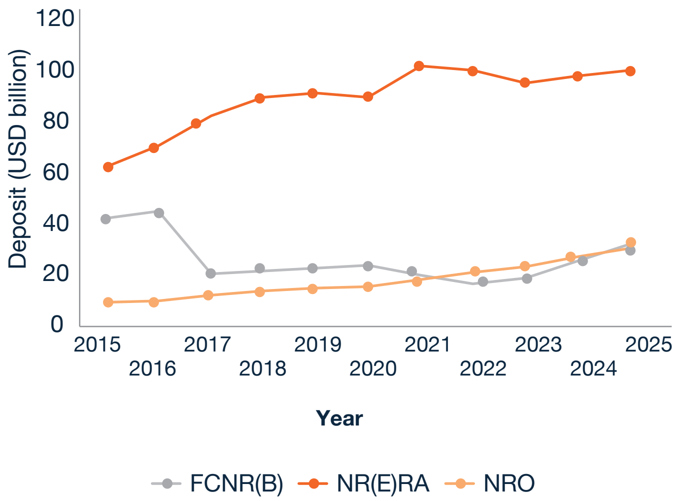
Source: Ministry of External Affairs

Over the decade ending March 2025, NRI deposits demonstrated consistent growth, reflecting sustained trust in India's financial system.

- Total outstanding NRI deposits increased from approximately $115.2 billion in 2015 to around $164.7 billion by March 2025.
- Among deposit categories, Foreign Currency Non-Resident (FCNR-B) accounts continued to attract strong inflows, offering protection against currency fluctuations.
- Non-Resident External (NRE) deposits grew steadily from about $62.7 billion in 2015 to $100.7 billion in 2025.
- Non-Resident Ordinary (NRO) deposits rose significantly from approximately $9.6 billion in 2015 to $31.1 billion by March 2025—primarily used to manage income earned in India.

This sustained growth underscores NRIs' confidence in India's economic resilience and financial stability. It also reflects the increasing attractiveness of India's investment environment and long-term growth prospects.[4]

Figure 2: Growth in NRI deposits in India (USD billion)



Source: RBI Statistics on Indian Economy

3 Ministry of External Affairs
4 RBI Statistics on Indian Economy

Looking ahead, the outlook for NRI deposits and investments remains strong. As India's economy evolves and regulatory frameworks mature, NRIs are expected to diversify beyond traditional deposit schemes into equities, real estate, alternative assets, and structured financial products. Enhanced digital banking capabilities and streamlined compliance processes are likely to further support this engagement.

The Union Budget 2026 introduces a significant enhancement for individual persons resident outside India (PROIs) under the Portfolio Investment Scheme. It proposes that individual PROIs may:

- Invest directly up to 10% in equity instruments of a listed Indian company, doubling the previous 5% limit
- Benefit from an increased aggregate shareholding cap in a listed company, rising to 24% from the earlier 10%

NRI investments: Today's choices, tomorrow's goals

Usually, NRI financial goals are driven by key priorities such as retirement planning, securing children's education, property acquisition in India, wealth creation, and ensuring family protection through insurance. These objectives serve as the foundation for their investment decisions, shaping the way NRIs approach building and preserving wealth across different markets. With aspirations that often span both their country of residence and India, NRIs seek to create a balanced financial plan that addresses immediate needs as well as long-term ambitions.

To achieve these goals, NRIs have access to a broad spectrum of investment options, including fixed deposits, mutual funds, Indian equities, and various insurance products. This diversity allows them to tailor their portfolios according to individual risk tolerance, investment horizon, and regulatory requirements. By leveraging these instruments, NRIs can optimise returns while managing factors such as currency risk, tax efficiency, and repatriation rules—ultimately creating a resilient and adaptable investment strategy that supports their financial well-being now and in the future.

Key takeaways

- NRIs maintain a strong and growing financial connection with India, as reflected in steadily rising deposits.
- The Indian diaspora is globally dispersed, with major communities across the Gulf, the US, the UK, and other regions.
- Budget 2026 expands investment opportunities for NRIs, enabling greater participation in listed Indian companies.
- NRI financial goals usually include retirement planning, children's education, property, wealth creation, and insurance.

02

Emerging horizons: NRI investment meets IFSC advantage

Bridging global ambitions with new investment frontiers

NRI investors across the world pursue diverse financial goals, such as planning for retirement, funding children's education abroad, securing healthcare for elderly parents, and preserving wealth across jurisdictions. Yet many face practical challenges in navigating complex tax regimes, regulatory constraints, and fragmented access to globally competitive investment products.

Is there a more streamlined alternative that addresses these challenges while unlocking global investment potential? This question brings the GIFT IFSC into focus—an innovative financial ecosystem designed to offer efficient, tax-friendly, and flexible investment pathways without weakening ties to India.

IFSC Playbook for NRIs

Consider Raj and Simran*, a middle-aged NRI couple with a corpus of $5 million. Their objectives are clear: secure retirement, fund overseas education for their children, and provide healthcare support for ageing parents in India. However, navigating a maze of domestic investment products, offshore structures, and jurisdiction-specific advice makes it difficult to implement a cohesive strategy.

The Playbook for NRIs is intended to guide individuals like Raj and Simran through the benefits of IFSC-regulated investment platforms and the diverse products available within this ecosystem. By leveraging IFSC channels, NRIs can align global lifestyle needs with structured wealth management solutions—enhancing financial security while simplifying cross-border investment complexity.

Let us begin by exploring what an IFSC is and how it creates a new frontier for NRI investment.

*Note: Raj and Simran are fictional characters, used in this document solely for illustrative purposes.

03

What is the GIFT IFSC?

Overview

GIFT City is a strategic financial hub located between Ahmedabad and Gandhinagar, established to attract global investors by offering competitive regulatory and tax frameworks aligned with international standards.

As a Special Economic Zone (SEZ), the GIFT IFSC provides business-friendly policies, targeted incentives, and efficient procedures for offshore entities and international transactions. This makes it a cost-effective gateway for global access to Indian and international markets. The ecosystem spans banking, insurance, asset management, capital markets, and commodity exchanges.

In December 2019, the Government of India (GOI) established the IFSCA to streamline regulation within the GIFT IFSC. IFSCA assumed regulatory responsibilities from the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA) within the jurisdiction of the GIFT IFSC.

Why was the GIFT IFSC created?

The GOI envisioned the GIFT IFSC with several strategic objectives:

- Onshoring offshore financial activity: Attracting financial services that were previously conducted abroad by offering world-class infrastructure and streamlined regulation, thereby strengthening foreign exchange inflows and economic growth
- Developing a global financial hub: Positioning the GIFT IFSC as a leading international financial centre capable of attracting global capital and facilitating cross-border transactions
- Promoting innovation and technological advancement: Encouraging advanced technologies and innovative financial solutions to enhance efficiency, reduce costs, and improve customer experience
- Creating a skilled workforce: Building a talent base with international financial expertise to support India's emergence as a global financial powerhouse
- Supported by modern infrastructure and policy commitment, the GIFT IFSC is steadily evolving into a globally competitive financial and technological centre.

GIFT IFSC—Key highlights (as of September 2025)

There are **1,034 IFSCA-registered entities**, reflecting a rapidly expanding financial ecosystem.

Over the past five years, the GIFT IFSC has recorded significant growth across banking, capital markets, funds and asset management, and aircraft and ship leasing.

Table 1: Key highlights of IFSC (as of September 2025)

Banking	
IFSC banking units (IBUs)	35 units (17 Indian & 18 foreign origin)
Cumulative assets	Exceeding $100 billion
Foreign currency loans	$54 billion
Trade finance	$15.43 billion
Capital markets	
Debt securities listed	$66.6 billion
Monthly turnover on exchanges	$89 billion
Funds & asset management	
Fund management entities (FMEs)	194
Funds registered	310
Investor commitments	Exceeding $26 billion
Insurance & reinsurance	
Foreign currency insurance products	Available for Indian diaspora
Sustainable finance	
ESG-labelled bonds	$15.73 billion

Source: IFSCA Bulletin July-September 2025

What is in it for NRIs?

While the strategic vision behind the GIFT IFSC is ambitious and its growth notable, what does this mean for ordinary individuals like Raj and Simran?

In 2020, the IFSCA released its ‘Expert Committee Report on IFSC International Retail Business Development’, identifying the Indian diaspora as a key focus segment. Over the past five years, several measures have been introduced to support retail participation.

As of 30 September 2025:[5]

- NRI deposits in IFSC stood at approximately $1.1 billion.
- Diaspora-linked fund investments were estimated at $536.2 million.

The GIFT IFSC is reshaping the NRI investment landscape by offering a globally competitive platform characterised by tax efficiency, regulatory clarity, and access to international financial products. NRIs can invest in both Indian and global markets through structured vehicles such as offshore funds, green bonds, and derivative instruments.

Given India’s robust economic growth, expanding start-up ecosystem, and rising infrastructure investments, NRIs are expected to increasingly diversify portfolios through IFSC opportunities—including private equity, Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), and other innovative financial instruments.

Looking ahead, evolving geopolitical dynamics and improvements in India’s ease of doing business are likely to further strengthen NRIs’ preference for leveraging IFSC as a gateway for cross-border investment.

Why the GIFT IFSC creates value for NRIs:

- Foreign currency transactions: A key advantage of the GIFT IFSC is the ability to hold and transact in foreign currencies. This reduces conversion costs and aligns naturally with the income and investment profiles of globally mobile NRIs. Currently, 15 foreign currencies (see Annexure 1) are permitted for dealing within IFSC. NRIs can:
  - Maintain balances in multiple foreign currencies.
  - Manage global cash flows efficiently.
  - Avoid unnecessary currency conversion costs.
  - Align operating currency with underlying investments or transactions.
  - These multi-currency capabilities support investments, lending, leasing, trading, and other financial activities conducted through IFSC entities.
- Access to Indian and international markets: Investors can trade on exchanges located within the GIFT IFSC, accessing both Indian and global markets within an internationally structured environment. This reduces certain domestic constraints and provides familiarity for investors accustomed to global financial systems.
- Investment options aligned with global standards: The GIFT IFSC supports a wide range of investment vehicles, including funds investing in debt, infrastructure, global equities, and structured products. These offerings mirror those available in mature international financial centres, allowing NRIs to diversify without maintaining complex multi-jurisdictional structures.
- Supportive tax and regulatory framework: GIFT IFSC provides favourable tax treatment for various financial activities. Certain onshore levies do not apply, and entities established within IFSC benefit from structured incentives. For NRIs, this can translate into improved economic outcomes relative to many domestic alternatives. The combination of foreign currency flexibility and regulatory clarity supports long-term financial planning.

GIFT City symbolises India’s commitment to high-quality financial services. It combines India’s economic momentum with globally aligned standards familiar to NRIs. For the diaspora seeking meaningful engagement with India’s growth journey, it offers a modern, transparent, and structured platform. As institutional participation deepens, the ecosystem continues to gain sophistication and scale.

In the following sections, we examine the key products available in the GIFT IFSC that can help individuals achieve their financial goals.

5 IFSCA Bulletin July-September 2025

04

What opportunities await NRIs in the GIFT IFSC?

Banking

As of 30 September 2025, the GIFT IFSC hosted 35[6] IFSC banking units (IBUs)—17 of Indian origin and 18 of foreign origin—with cumulative banking assets exceeding $100 billion.[7] These IBUs offer a wide range of services tailored to retail and institutional clients.

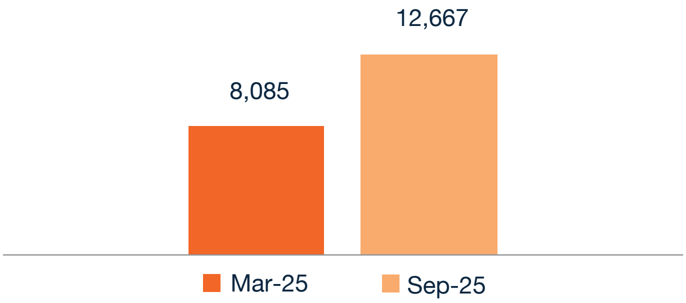
In practice, Indian bank IBUs have taken the lead in serving retail customers, including NRIs, while most foreign bank IBUs focus primarily on corporate lending, particularly external commercial borrowings (ECBs).

As of September 2025:[8]

- NRI deposit accounts with IBUs increased to 12,667, up from 8,085 in March 2025.
- Total customer deposits reached $7.93 billion.
- Retail (non-corporate) deposits accounted for $1.23 billion.

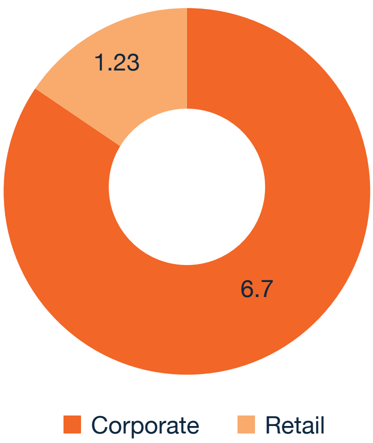
6 https://ifsca.gov.in/Directory
7 IFSCA Bulletin July-September 2025
8 IFSCA Bulletin July–September 2025 and January–March 2025

Figure 3: Number of NRI deposits held by IBUs



Source: IFSCA Bulletin July-September 2025 and January-March 2025

Figure 4: Total customer deposits in IBUs as of September 2025 (USD billion)



Source: IFSCA Bulletin July-September 2025

Products of the various IBUs in the IFSC

- Foreign currency banking accounts: NRIs can open freely convertible foreign currency accounts with IBUs. These accounts may be maintained in 159 specified foreign currencies and can be structured as savings accounts, current accounts, or fixed deposits. Notably, NRIs may invest in foreign currency fixed deposits with flexible tenures—ranging from seven days to five years or longer, depending on the IBU. Interest rates are market-linked and globally benchmarked. Interest earned on such term deposits is exempt from tax in India.
- Foreign currency loans and financing: NRIs may avail loans from IBUs for business or personal purposes, often by providing domestic or international deposits as collateral. Lower funding costs within IFSC can translate into competitive borrowing rates.
- OTC derivative trading: NRIs may participate in over-the-counter (OTC) derivatives, including foreign exchange, interest rate, and credit derivatives offered by IBUs. Trading and settlement are typically conducted in US dollars. Recent tax amendments provide full income tax exemption on income earned by non-residents from OTC derivatives transacted through IFSC.
- Portfolio management and investment advisory services: NRIs may access portfolio management and advisory services through IBUs, enabling integrated banking and investment solutions within the IFSC framework.

9 IFSCA (Banking) Regulations, 2020

Table 2: What makes the GIFT IFSC better for individuals compared to mainland India?

Particulars	India	GIFT IFSC
Interest rates on loans	Higher due to higher funding costs	✓ Lower due to competitive funding structure
Repatriation	Subject to Foreign Exchange Management Act (FEMA)	✓ Not subject to FEMA
KYC flexibility	V-CIP not permitted for NRIs	✓ V-CIP permitted for residents of specified low-risk jurisdictions (see Annexure 2)
Tenor of FCNR fixed deposits	Maximum 5 years (RBI 2025)[10]	✓ No tenor restriction; even seven-day deposits available
Interest rate on fixed deposits	As per RBI Directions, 2025	✓ Market-driven rates determined by IBUs; differentiated by tenor, deposit size, and withdrawal terms

Table 3: What makes the GIFT IFSC better for individuals compared with overseas jurisdictions?

Aspect	Overseas jurisdictions (e.g. UAE)	GIFT IFSC
Nomination facility	Limited or no legal recognition; court procedures often required	✓ Legally recognised; simple nominee updates
Succession process	Governed by local laws; potentially complex and time-consuming	✓ Simplified under Indian law; faster transfer of funds
Legal certainty	May create delays and uncertainty for families	✓ Clear and reliable framework for estate planning
NRI friendliness	Procedural hurdles may exist	✓ Streamlined account management and regulatory clarity

Given these advantages, Raj and Simran may choose to allocate a portion of their corpus to IBU accounts for liquidity, emergency access, and stable capital appreciation—while exploring higher-return instruments within the broader IFSC ecosystem.

10 https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=13157#CP5

Wealth management products

While banking products provide stability and liquidity, Raj and Simran—given their stage of life—may also seek diversified investment avenues that offer higher return potential. This is where asset and wealth management solutions within the GIFT IFSC play a critical role.

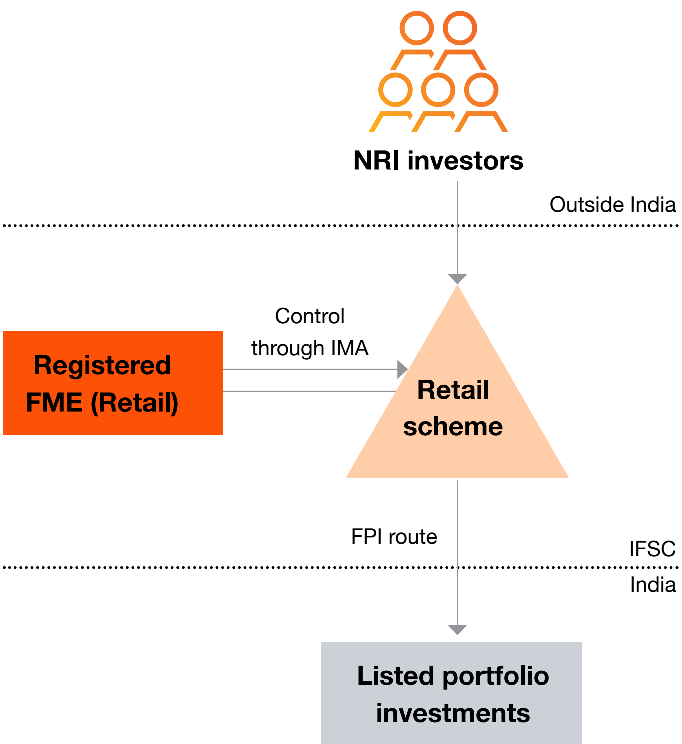
The foundation for IFSC's asset and wealth management ecosystem was established through the International Financial Services Centres Authority (Fund Management) Regulations, 2022 (FME Regulations), amended in 2025 following stakeholder consultation. These regulations provide a comprehensive framework covering multiple fund structures and wealth management services.

Since implementation, IFSC has witnessed rapid growth in fund management entities (FMEs) and the launch of innovative fund vehicles. For NRIs, this translates into access to global investment opportunities, simplified compliance, efficient repatriation mechanisms, and a competitive tax regime.

Some of the key products available to NRIs are outlined below.

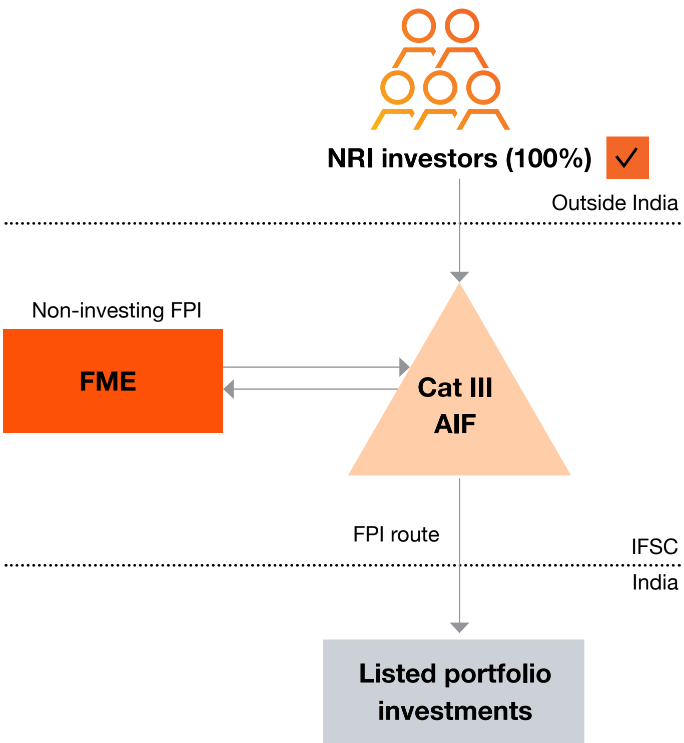
NRI products

Figure 5: Retail scheme



Key considerations
Two share classes are available for NRIs under the retail scheme: Direct and growth
No minimum ticket size for investment
Fund-level taxation applies
Gains on debt or derivatives: Exempted
Gains on equity: 14.95% (long-term), 23.92% (short-term)
Interest and dividend: 10% (final rate, no surcharge or cess)
No tax on distribution: Investors are exempted from tax on any income received from the retail scheme or on transfer of units.
No PAN and return filing obligations for NRIs; subject to conditions

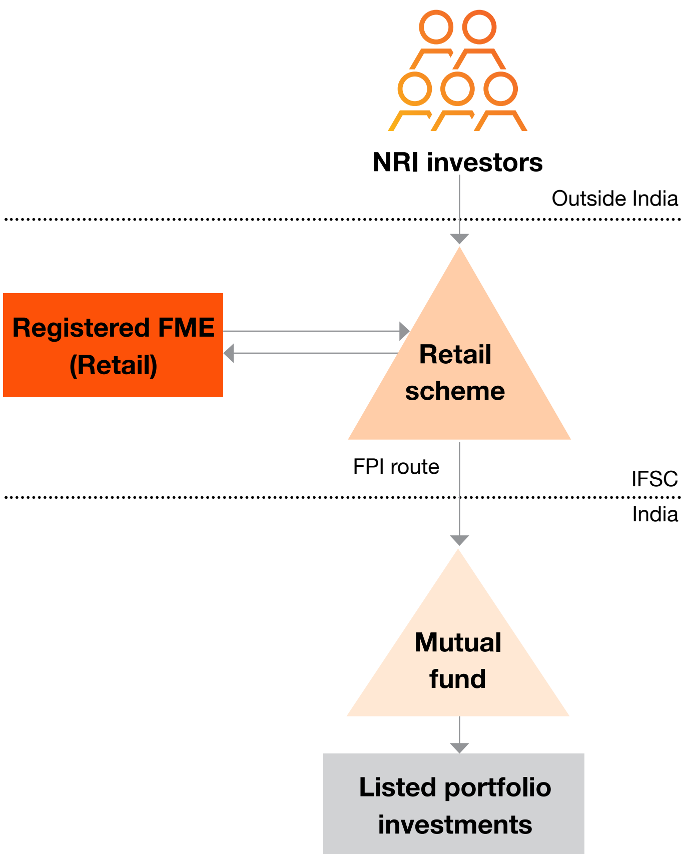
Figure 6: NRI-owned fund in the IFSC



Key considerations

- 100% NRI-owned funds permitted (available only for IFSC-domiciled FPIs)
- A standalone fund can be created by single NRI family office.
- Fund-level taxation applies
- Gains on debt or derivatives: Exempted
- Gains on equity: Taxed at domestic rates
- Interest and dividends: 10% (no surcharge or cess)
- No tax on distribution: Investors exempted on income received from Category III schemes or on transfer of units
- Submission of PAN, passport, or OCI card, along with disclosure of economic interest of all constituents, required to the custodian
- Submission of such details is not required where the investment manager is an AMC of an Indian mutual fund sponsored by a bank and additional conditions (single pooling vehicle, blind pool, pro rata and pari passu rights, broad-basing requirements) are satisfied.

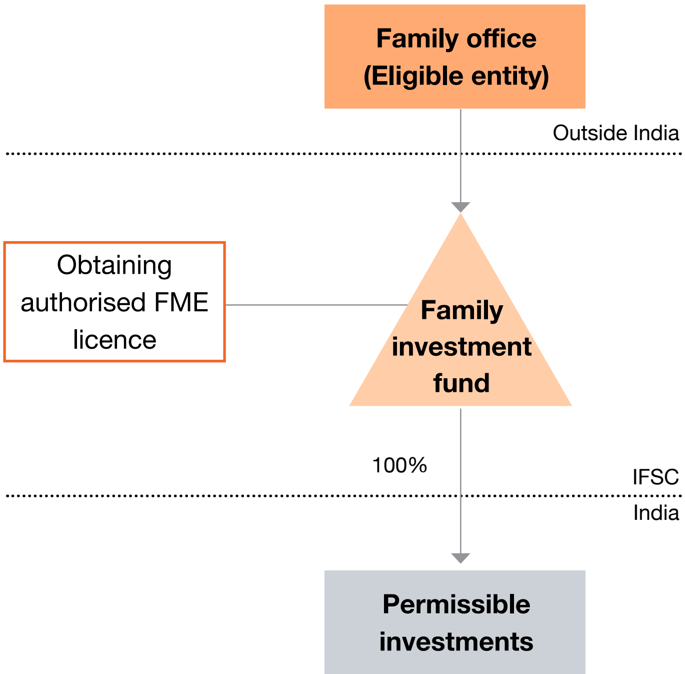
Figure 7: Fund-of-fund structure



Key considerations

- NRI investor diversification conditions under FPI regulations not applicable if FPI invests only in mutual fund schemes in India
- No minimum ticket size for investment
- No tax in the hands of the Indian mutual fund entity
- Capital gains on sale of units exempted for retail schemes in IFSC
- No tax on distribution: Investors exempted on income received from retail schemes or on transfer of units
- No PAN or return filing obligations for NRIs, subject to conditions
- End-to-end tax efficiency

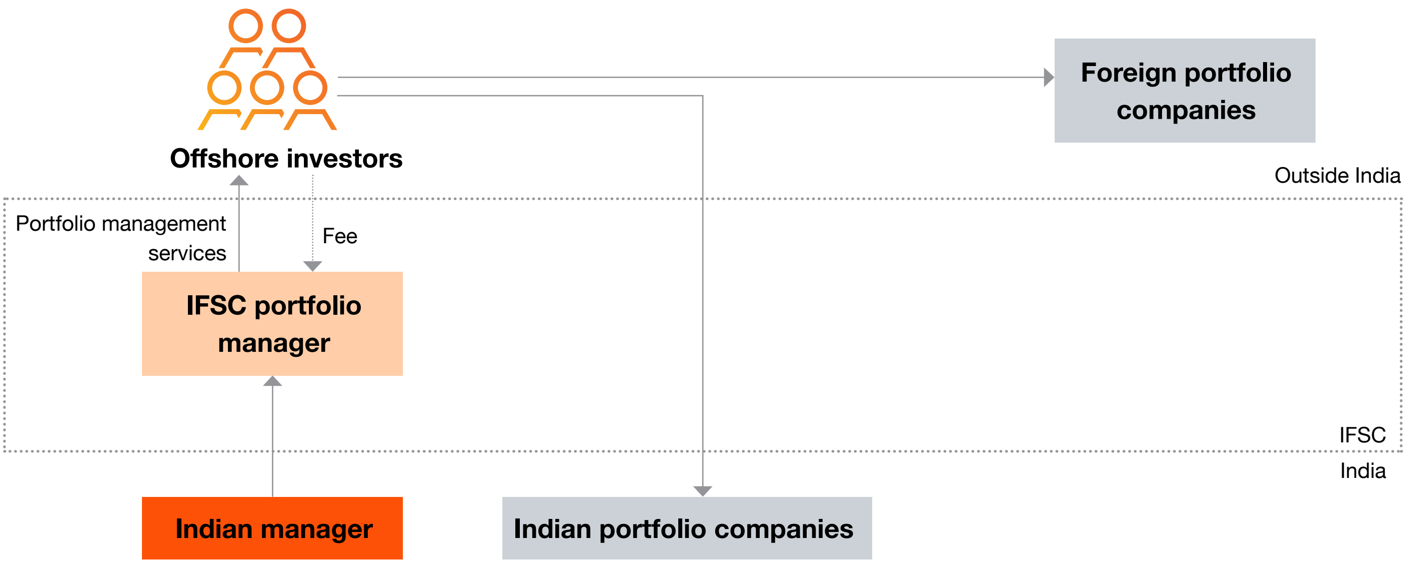
Figure 8: Family investment funds



Key considerations

- Self-managed family investment fund permitted for NRIs within IFSC
- Category II FPI licence required for investing in listed Indian equities
- Tax regime comparable to Singapore available for family funds
- Gains on debt or derivatives: Exempted
- Gains on equity: Taxed at domestic rates
- Interest and dividends: 10% (no surcharge or cess)

Figure 9: Portfolio management services



Key considerations

Particulars	Portfolio management services in IFSC
Minimum investment threshold	$75,000 (not applicable to accredited investors)
Investment in derivatives	Permitted, subject to express client consent
Advisory services	Allowed as part of PMS, subject to conditions
Segregation of client funds/portfolio	FME must segregate client funds/securities from its own
Tax benefits to NRIs	Exemptions available on income from offshore securities credited to IFSC bank accounts
GST	No GST on portfolio management fees

Investing vehicle options for NRIs

Table 4: Comparative analysis of different investing vehicle options for NRIs

Parameters	Portfolio investment scheme	Domestic mutual fund	Direct FPI entity from Mauritius/ Singapore	AIF/retail scheme/ family investment fund in IFSC	Fund of fund
Tax on income streams • Listed Indian equity shares • Debt/derivatives • Dividend	LTCG – 14.95%/ STCG – 23.92% Exempted 15%	Income of Mutual Funds – Exempted Sale of Mutual Fund units by investor- Exempted	LTCG – 13.65%/ STCG – 21.84% Exempted 15%	LTCG – 14.95%/ STCG – 23.92% Exempted 10%	Income of mutual funds – Exempted Sale of mutual fund units by investor – Exempted
Investment diversification requirements	Not applicable	Applicable	Not applicable	Not applicable	Not applicable
GST (India level) on management fees	Not applicable	Applicable	Not applicable	Not applicable	Not applicable
Availing tax treaty benefits/LOB clause	Relevant	Relevant (for investor)	Relevant	Not relevant	Not relevant
GAAR and MLI for treaty benefits	Relevant	Relevant (for investor)	Relevant	Not relevant	Not relevant
PAN and tax return filing compliances for NRI investor	Required	Required	Not required	Not required	Not required

Favourable Moderate Unfavourable

Insurance products

Thus far, Raj and Simran have explored options for capital appreciation. However, wealth planning is incomplete without protecting against life's uncertainties.

The GOI and the insurance regulator have introduced policy frameworks and structural reforms to expand insurance access and support sector growth.

At the IFSCA–IRDAI–GIFT City Global Reinsurance Summit 2026, the Secretary, Department of Financial Services, highlighted that India's insurance and reinsurance sectors are on a growth trajectory. Indian insurers and reinsurers are encouraged to access global opportunities via GIFT City, contributing towards the national objective of 'Insurance for All by 2047'.[11]

Growth within IFSC insurance entities reflects this momentum. Premiums written by IFSC insurance companies increased from $43.53 million in June 2025 to $210.07 million in September 2025.

The GIFT IFSC offers NRIs globally aligned products supported by a liberal regulatory framework and favourable tax treatment, particularly for life insurance and investment-linked contracts.

NRI life insurance products

- Life insurance: NRIs can access comprehensive life insurance solutions, including term insurance, unit linked insurance plans (ULIPs), endowment policies, and traditional life covers. Life insurance through IFSC offers:
  - Premiums and benefits payable in foreign currencies (e.g. USD, EUR), reducing currency risk
  - Tax-efficient structures aligned with IFSC concessions
  - Flexible policy terms suited to retirement and legacy planning across jurisdictions
- General insurance: This includes property, motor, travel, and liability insurance products. For NRIs, IFSC-based general insurance offers:
  - Policy design aligned with international underwriting standards
  - Coverage denominated in foreign currencies consistent with global asset holdings and spending patterns
- Health insurance: IFSC-regulated health insurance products address healthcare needs in India and overseas. Key benefits include:
  - Premiums and claims payable in foreign currency, minimising INR conversion risk
  - Plans tailored for elderly care, chronic illness management, and multi-jurisdiction family coverage
- Reinsurance: IFSC-regulated reinsurance strengthens capital backing and risk management for primary insurers. For NRIs, this translates into:
  - Greater product security
  - Enhanced reliability of claims settlement supported by globally diversified capital pools
  - Potential availability of innovative and customised insurance structures benefitting from global risk diversification

Note: Accessibility of IFSC insurance products for NRIs remains subject to the regulations of their country of residence.

11 PIB, GOI

Exemptions, concessions, and incentives for NRIs

- Tax-free returns on ULIPs and endowment plans: A significant development in FY 2025–26 introduced tax exemptions for ULIPs and endowment policies issued by IFSC insurance offices. Where the annual premium does not exceed 10% of the sum assured, maturity proceeds and policy benefits are fully tax exempt. This significantly enhances tax-efficient wealth accumulation opportunities for NRIs through the GIFT IFSC.

By contrast, in the domestic market:

  - ULIPs become taxable where annual premiums exceed ₹2.5 lakh in any year during the policy term (taxed as capital gains). Endowment policies become taxable where annual premiums exceed ₹5 lakh (taxed as income from other sources).
  - These premium caps do not apply to policies issued by IFSC insurance offices. As a result, IFSC insurers may offer high-premium life insurance products with fully exempt proceeds under current regulations.

- Access to international-grade insurance products: Through IFSC, NRIs gain access to globally structured term life, health, annuity, and investment-linked insurance products regulated by IFSCA. Product design, pricing, and governance follow international best practices, aligning protection with cross-border financial realities.
- Flexible premium payment structures: Under the IFSCA (Manner of Payment and Receipt of Premium) Regulations, 2022, insurance providers may extend coverage before full premium receipt, subject to regulatory conditions. This allows greater flexibility in premium structuring and deferred payment arrangements—particularly relevant for NRI entrepreneurs or business owners.
- Faster access to innovative products: Insurance entities operating within IFSC may introduce new products under internal governance frameworks aligned with IFSCA regulations, rather than undergoing prolonged external approval cycles. This accelerates access to tax-efficient and customised solutions as financial conditions evolve.

Table 5: GIFT City vs. traditional Indian insurance market

Feature	GIFT City	Traditional Indian market
Currency	Foreign currency	INR or foreign currency
Regulatory authority	IFSCA	IRDAI
Tax on ULIP	Exempt where annual premium ≤ 10% of sum assured	Taxed where annual premium exceeds ₹2.5 lakh

FinTech innovations

As India advances towards its long-term economic aspirations, innovation and global financial connectivity have become critical enablers of growth. The Indian FinTech market, currently valued at approximately $111 billion, is projected to expand to $421 billion by 2029, reflecting sustained digital adoption and financial innovation.

Positioned as a catalyst to 'onshore the offshore', the GIFT IFSC operates as a deemed overseas jurisdiction, offering technology-enabled financial services to individuals and entities across the globe. With an emphasis on the NRI segment, the ecosystem is designed to serve those with economic or familial ties to the Indian subcontinent.

As a specialised financial services centre, the GIFT IFSC provides non-residents with structured pathways to invest in India, conduct financial transactions, and manage cross-border operations within a regulated framework.

FinTech solutions for NRIs

Multi-currency wallets	**Travel cards**
Cross-border remittances	**Escrow accounts**

FinTech products: The GIFT IFSC supports a broad spectrum of regulated payment activities, including account issuance, e-money issuance, merchant acquisition, escrow services, and cross-border money transfers. NRIs may access digital platforms to remit funds internationally—including person-to-person transfers, make merchant and bill payments, and utilise cross-currency payment rails. Some of the FinTech products approved for NRIs within IFSC include the following:

- Multi-currency wallets: NRIs may open wallets denominated in specified foreign currencies. These funds can be used to create deposits with IBUs, invest on recognised overseas exchanges, or trade on IFSC-recognised stock exchanges.
- Travel cards, forex cards, and charge cards: Multi-currency wallets enable efficient fund parking and deployment without repeated currency conversion.
- Inward and outward cross-border remittances: NRIs travelling internationally may obtain multi-currency travel or forex cards to manage expenses without repeated currency exchange. This simplifies global mobility and spending.

- Escrow accounts for contractual payments: NRIs may use IFSC-based payment service platforms to undertake inbound and outbound remittances between overseas jurisdictions and India. Funds held in multi-currency wallets can further reduce friction in cross-border transfers.
- Escrow account for piecemeal services: Escrow services provided through IFSC payment platforms offer an alternative to traditional letter-of-credit arrangements. NRIs engaged in trading or contractual activities may structure conditional remittances based on agreed milestones.

The above products and use cases have received regulatory approval, and vendors are expected to progressively operationalise these offerings.

FinTech platforms for financial services/products offered by third parties

FinTech platforms play a critical role in connecting financial service providers—wealth managers, fund managers, and insurance intermediaries—with end customers, including NRIs.

These platforms may operate via websites or mobile applications and can be based in India or overseas. They may utilise relevant IFSCA licences, such as distributor or investment adviser registrations, to market IFSC and overseas financial products to NRI clients.

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Future products—What to expect

Looking ahead, the IFSC ecosystem is positioned to become a key gateway for NRI-led global investments, driven by policy innovation, digital infrastructure, and next-generation financial products. As IFSC continues to mature, it is expected to strengthen seamless connectivity between NRIs and global markets through India, reinforcing GIFT IFSC's role as a trusted bridge between offshore and onshore capital flows.

The GIFT IFSC is evolving as a globally competitive financial hub, guided by a strategic roadmap to introduce innovative products tailored to the changing needs of NRIs, global citizens, and institutional investors. Several initiatives are underway to enhance IFSC's capabilities as a forward-looking financial centre. These developments aim to provide NRIs with globally aligned, tax-efficient investment options suited to long-term wealth preservation and growth objectives.[12]

Commodity trading ecosystem

Plans to establish a comprehensive commodity trading ecosystem within the GIFT IFSC are expected to expand investment avenues for NRIs seeking exposure to precious metals, energy products, agricultural commodities, and other raw materials. Currently, NRI participation in commodity markets is limited due to regulatory constraints and restricted access.

A dedicated commodity exchange within the GIFT IFSC will provide a globally accessible platform operating under competitive regulatory standards. This will enable NRIs to hedge risk, invest in commodities, and participate in transparent and structured trading mechanisms.

The proposed framework will integrate advanced clearing, settlement, and risk management infrastructure aligned with international best practices. This initiative supports India's ambition to become a global commodity trading hub while offering NRIs the flexibility and tax benefits available under the IFSC regime.

Portable, tax-efficient retirement solutions for NRIs and global citizens

Retirement planning remains a priority for NRIs, particularly due to cross-border complexities relating to pension portability, taxation, and regulatory divergence. The GIFT IFSC aims to facilitate portable and tax-efficient retirement solutions to simplify long-term savings management within a familiar regulatory environment.

A consultation paper on Pension Fund Regulations at IFSC has been released to support the development of this framework. The proposed regulations are intended to strengthen investor confidence and safeguard NRI retirement assets.

These solutions may include pension funds, annuities, and mutual funds designed with portability features, enabling smoother asset transfers irrespective of country of residence or citizenship. Within IFSC's tax-efficient environment, participants may benefit from exemptions or reduced tax rates on returns, supporting disciplined long-term savings and capital continuity.

Tokenisation of assets

The GIFT IFSC is advancing the adoption of emerging financial technologies, including tokenisation of real-world assets. Tokenisation involves converting physical or illiquid assets—such as real estate, fine art, commodities, or private equity interests—into digital tokens recorded on blockchain infrastructure.

This approach enhances liquidity, enables fractional ownership, and broadens access to asset classes that were previously difficult to access or transfer. For NRIs, tokenisation may offer structured exposure to diversified asset categories while reducing operational friction.

Within IFSC's regulatory sandbox environment, experimentation with compliant security token offerings is encouraged, subject to investor protection norms and KYC/AML standards. The underlying technology facilitates faster, transparent, and secure transactions, potentially reducing settlement time and administrative costs.

These initiatives, supported by enabling regulation and modern infrastructure, reflect the GIFT IFSC's commitment to developing a globally aligned financial ecosystem integrated with India's broader growth trajectory.

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The road ahead

Considering the options available in GIFT City—including banking, asset and wealth management, insurance, and FinTech solutions—it has become evident how the IFSC ecosystem can support the long-term financial objectives of NRIs.

Banking products provide stability and liquidity. Asset and wealth management solutions offer structured growth opportunities. Insurance products deliver protection and risk mitigation. FinTech platforms enable efficient access and seamless cross-border execution. Together, these components create an integrated financial framework capable of supporting retirement planning, funding children's education and caring for ageing parents in India.

The significance of GIFT City is expected to deepen in the years ahead. As the ecosystem expands, NRIs can anticipate broader product diversity, enhanced digital infrastructure, and increasingly sophisticated cross-border financial solutions. With regulatory clarity and a framework aligned to global financial centres, the GIFT IFSC is steadily positioning itself as a preferred destination for internationally mobile Indian investors.

More than a financial jurisdiction, GIFT City represents a structural link between the global Indian diaspora and India's evolving economic landscape. By combining global standards with domestic opportunity, it offers NRIs a platform that recognises their distinct needs and supports sustainable, long-term financial growth.

Annexure 1: List of foreign currencies that are notified as permissible for dealing in IFSC

As per the Banking Regulations, IBUs can deal in 15 specified foreign currencies:

US dollar (USD)	Singapore dollar (SGD)
Euro (EUR)	UAE dirham (AED)
Japanese Yen (JPY)	Russian rouble (RUB)
UK Pound Sterling (GBP)	Swedish krona (SEK)
Canadian dollar (CAD)	Norwegian krone (NOK)
Australian dollar (AUD)	New Zealand dollar (NZD)
Swiss Franc (CHF)	Danish krone (DKK)
Hong Kong dollar (HKD)	

Annexure 2: Comparative flexibility in KYC regulations vis à vis India

Video-based customer identification process (V-CIP) for NRIs

Recognising the cross-border participation of investors and customers in IFSC, the IFSCA AML CFT Guidelines provide for V-CIP as an alternate and digital mode of customer identification for Indian nationals, including NRIs.

V-CIP enables customer identification through a live, secure, consent-based audio–visual interaction conducted by an authorised official of the regulated entity, and includes:

- Facial recognition
- Customer due diligence
- Independent verification of identification documents
- Maintenance of an audit trail

The V-CIP mechanism facilitates remote onboarding without requiring physical presence in India, thereby serving as an important ease-of-doing-business measure for NRIs seeking to engage with regulated entities in the GIFT IFSC.

Jurisdictional eligibility for low-risk NRI customers under V-CIP

Under the current IFSCA AML CFT Guidelines, NRIs classified as 'low risk' are eligible to be onboarded through the V-CIP process if they are residents of the following jurisdictions:

- USA
- Japan
- South Korea
- UK (excluding British Overseas Territories)
- Canada
- UAE
- Singapore
- Australia
- EU (excluding Croatia)

For NRIs resident in the above jurisdictions, V-CIP serves as a simplified and technology-enabled onboarding channel within the IFSC ecosystem.

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SG/February2026 - M&C 51461