



## **CIRCULAR**

F. No. IFSCA-FCS/1/2023-Banking

November 18, 2024

To,

The Regulated Entities in the International Financial Services Centre ('IFSC')

**Subject: Exempting certain entities/activities from the applicability of International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022**

Sir/Madam,

Reference is drawn to the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (hereinafter referred as 'Guidelines') issued by the International Financial Services Centres Authority (hereinafter referred as 'IFSCA') vide notification No. IFSCA/2022-23/GN/GL001 dated October 28, 2022, and the Circulars issued thereunder.

2. IFSCA has received representations from market participants to examine the applicability of the Guidelines to certain entities/activities in International Financial Services Centre ('IFSC'). Based on the examination of the same and taking into consideration other relevant factors, the IFSCA hereby exempts following entities/activities from the applicability of the Guidelines: -

- i. 'Global-in-House Centre' registered under IFSCA (Global In-House Centres) Regulations, 2020;



- ii. 'International Branch Campus' ("IBC") or an 'Offshore Educational Centre' ("OEC") of a Foreign University or a Foreign Educational Institution registered under IFSCA (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022;
  - iii. 'Financial Crime Compliance Services Provider' registered under IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) Regulations, 2024; and
  - iv. A Financial Institution providing services only to the entities in its 'Financial Group' which are located in a country not identified in the public statement of FATF as '*High-risk jurisdictions subject to call for action*'. Any financial institution undertaking transactions through third-party business / service providers in the course of their operations, shall undertake business risk assessment and comply with incidental provisions of the Guidelines.
3. All Financial Institutions, including those exempted under clause 2 above, shall transact or receive the monetary consideration (i.e. funds/fees/amount) only through an account maintained with a Banking Unit in IFSC.
4. The financial institutions exempted in Clause 2 above, however, shall undertake Business Risk Assessment and document the same. In the event any AML/CTF risk are envisaged in the business risk assessment, such entities shall continue to comply with the provisions of the Prevention of Money Laundering Act 2002 and Rules made thereunder, and IFSCA (AML/CTF/KYC) Guidelines, 2022.
5. All other provisions of the Guidelines and Circulars issued thereunder, shall remain unchanged.



6. The Circular is issued in exercise of the powers conferred by Section 12 r/w 13 of the International Financial Services Centres Authority Act, 2019 and Rule 9(14) of the Prevention of Money- Laundering (Maintenance of Records) Rules, 2005.

7. A Copy of this Circular is available on the IFSCA website at <https://ifsc.gov.in/Legal/Index/TCce8MyOmco=>

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