



CIRCULAR

No. 81/IFSCA/AIFs/2020-21/03

June 25, 2021

Subject: Alternative Investment Funds (AIFs) in International Financial Services Centres (IFSC)

1. In terms of the guidelines for setting up an Alternative Investment Fund (AIF) in IFSC as issued vide SEBI (International Financial Services Centres) Guidelines, 2015 ("IFSC Guidelines") and the operating guidelines dated November 26, 2018, the AIFs are being set up in IFSC. The International Financial Services Centres Authority (IFSCA) vide circular F. No. 81/IFSCA/AIFs/2020-21 dated December 9, 2020 has modified framework for AIFs in IFSC.
2. Subsequently, representations have been received from various stakeholders to review the framework including in relation to relocation of funds outside India to IFSC. Based on the above review, it has been decided to amend the norms pertaining to AIFs in IFSC as follows:

A. Continuing interest by the Manager or Sponsor in the AIF

In order to facilitate relocation of funds established or incorporated or registered outside India to IFSC, the continuing interest requirement by the Manager or Sponsor in the AIF provided under para 8 of the Annexure to the operating guidelines for AIFs in IFSC dated November 26, 2018 shall be voluntary.

B. Investment in Mutual Fund

An AIF in IFSC is permitted to invest in units of schemes launched by mutual fund regulated in FATF compliant jurisdiction (including India).

- C. This circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.
- D. A copy of this circular is available on the website of International Financial Services Centres Authority at www.ifsc.gov.in.

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