



PRESS RELEASE

IFSCA (Payment Services) Regulations, 2024 notified

The IFSCA (Payment Services) Regulations, 2024 was notified in the official gazette on January 30, 2024.

The regulations lay down the framework for entities providing the following payment services to seek authorisation from IFSCA :

- a) Account issuance service (including e-money account issuance service)
- b) E-money issuance service
- c) Escrow service
- d) Cross border money transfer service
- e) Merchant acquisition

By enabling the above services to be provided out of IFSC the regulations allow financial institutions in IFSC to provide as well as receive a wide range of financial services that facilitate the transfer of money between individuals, businesses, and other entities. The regulations would also permit Indian fintech entities looking to offer their products globally to develop IFSC as their base from which to expand their offerings to jurisdictions across the world. The regulations would also support the process of “reverse-flipping” as many of the Indian fintechs having holding companies in foreign jurisdictions are engaged in providing on or more of the payment services enabled by the regulations.

The regulations are divided into eight chapters and seven schedules and have been benchmarked to international regulations governing payment services in jurisdictions like those in Singapore, United Kingdom and European Union.

The complete text of the notified regulations is available on the IFSCA website at <https://ifsc.gov.in/Legal/Index/ogGpf3wx5GE=>.

Entities interested in seeking authorisation under the regulations may apply to IFSCA.

Gandhinagar

February 1, 2024