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## CIRCULAR

F. No. IFSCA-AIF/32/2024-Capital Markets

April 05, 2024

To,

**Fund Management Entities (FMEs) in International Financial Services Centres (IFSCs)**

Madam/Sir,

**Subject: Ease of doing business - Filing of Schemes or funds under IFSCA (Fund Management) Regulations 2022.**

1. Reference is drawn to regulation 31(2) of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 ("*FM Regulations*").
2. In this regard, to infuse further ease in doing business in the fund management ecosystem at the IFSC, it has been decided that henceforth, for all schemes or funds to be launched under Chapter III (except Part C: Retail Schemes), of the FM Regulations, the Fund Management Entity (FME) shall submit the Private Placement Memorandum (PPM) along with other documents ensuring minimum disclosures and other requirements as outlined in this circular, to the Authority. After filing these documents along with the disclosures and complying with other requirements stipulated in this circular FMEs may launch the respective schemes. IFSCA will also, in due course establish a web-portal for filing of scheme documents before an offer is made.
3. **Scheme / Fund documents to be submitted:** The Scheme or Fund documents shall be submitted with the Authority in the Application Form specified in [Annex-A](#) hereto.

**Minimum disclosures to be made in the PPM of each scheme / fund:**

4. The FME shall ensure that the PPM of each Scheme or Fund, *inter-alia*, contains the following minimum disclosures:
  - a. A detailed illustrative/ diagrammatic/ graphical representation of the Scheme or Fund Structure;
  - b. Broad details of the target investors and the portfolio investments;

- c. The Governance Structure encompassing:
  - i. Complete details of the company/limited liability partnership (LLP)/Trust/Trust Company;
  - ii. Details of the investment manager and their key managerial personnel at IFSC;
  - iii. Details of the Investment Committee/ advisory board/ limited partner advisory committee (LPAC)/ Investment Advisor.
  
- d. The principal terms defining the following:
  - i. Fund Offering;
  - ii. Target Investors;
  - iii. Tenure of the Scheme or Fund;
  - iv. Details of the contribution by the FME to the scheme including exception sought, if any; Capital Structure of the scheme which shall categorically distinguish different classes of units and their minimum capital commitment/contribution;
  - v. Closings- Definite timelines for the initial closing/ initial offer period and the final closing, including the details of the subsequent closing (if applicable);
  - vi. Details of investment period/commitment period (If applicable);
  - vii. Transfer and transmission of units;
  - viii. Gating restriction on withdrawal of units (if applicable);
  - ix. Complete details of the terms of Indemnification;
  - x. Details of Warehoused Investments including the period and valuation of the investments (if applicable);
  - xi. Details of Side Letters and its impact on other investors (if applicable);
  - xii. Details of Co-investment in line with the FM Regulations (if applicable);
  - xiii. Details of Borrowings along with the maximum limit of leverage (if applicable) in line with the FM Regulations;
  - xiv. Details of Temporary Deployment of Surplus Funds in line with the FM Regulations;
  - xv. Comprehensive disclosure of all Fees and Expenses of the scheme as well as the FME including the Setup Fee/expenses, Management Fees, Performance Fees, Exit Fees, Trusteeship fee, Placement Agent fees and its incidence, etc.;
  - xvi. Details of the distribution to investors;
  - xvii. Details of Distribution-in-kind/in-specie distributions (if applicable).
  - xviii. Details of Giveback by the Contributors (if applicable);
  - xix. Redemption, Compulsory redemption, redemption procedure and details of delay/suspension of redemption including the exit fees, and the redemption price, in line with the FM Regulations;
  - xx. Valuation and Reporting requirements, in line with the FM Regulations;

- xxi. Details of Termination and Winding Up of the Scheme or Fund;
  - xxii. Details of Removal of the FME;
  - xxiii. Details of Parallel Vehicles/ Alternative Investment Structures and Successor Funds (if applicable);
  - xxiv. Details of the Custodian appointed, in line with the FM Regulations;
  - xxv. Provision for Grievance Redressal mechanism with the FME as the first level and the IFSCA at subsequent levels of escalation for the investors;
  - xxvi. Other matters as may be considered necessary for informed decision making by the investors.
- e. Investment Objectives, Strategy and Guidelines should be well-defined with reasonable explanation for the investment strategy including fund of fund structures. The principal strategy of the Master Fund, where applicable, should be included.
- f. A Section on- Determination of Net Asset Value of the Units;
- g. A Section on- Conflicts of Interest;
- h. A Section on- Risk Factors;
- i. A Section on- Legal, Regulatory and Tax Considerations;
- j. A Section on- Illustration of the Distribution Waterfall;
- k. A Section on- Illustration of fees and expenses;
- l. A Section on the disciplinary history of the Trust, Trustee, FME and their respective partners, designated partners and directors;
- m. Glossary (if desired);
- n. A declaration by authorised person of the FME that all relevant disclosures, material to the Scheme or Fund, have been disclosed in the PPM;
- o. An IFSCA disclaimer on the cover page of the placement memorandum, as follows:

*“It is to be distinctly understood that filing of the placement memorandum with the Authority is for the purpose of record and should not in any way be deemed or construed that the same has been cleared or approved by the Authority. The Authority does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the placement memorandum. The Fund Management Entity, has certified that the disclosures made in the placement memorandum are adequate and are in conformity with the IFSCA (Fund Management) Regulations, 2022. This requirement is to facilitate investors to take an informed decision for making investment. The*

*Fund Management Entity issuer is responsible for the correctness, adequacy and disclosure of all relevant information in the placement memorandum.”*

5. The FME shall ensure that the Cover Page of the PPM, for each Scheme or Fund, prominently displays the following:

*“This PPM has been prepared in accordance with the IFSCA (Fund Management) Regulations, 2022, and subsidiary directions issued thereunder. The PPM has been submitted to the Authority only for the purpose of record.”*

6. The FME may extend the validity of the placement memorandum beyond 6 months as provided under 19(3) and 31 (2) of the FM Regulations by refiling the documents with the Authority and paying the applicable fee as per circular no. F. No.865/IFSCA/Banking/Fee Revision/2022-23 dated May 17, 2023. on “Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC”.
7. The scheme filing fees shall be remitted in US Dollars at the time of filing the scheme documents with the Authority.
8. The FMEs shall also submit all the necessary documents as specified in [Annex-B](#) hereto along with the scheme application.
9. On receipt of the application, the Authority will issue a Letter of Acknowledgment that the same has been taken on record.
10. The Circulars bearing Nos. IFSCA/1/2023-Capital Markets dated February 06, 2023 and IFSCA-AIF/47/2023-Capital Markets dated September 06, 2023 are subsumed into this Circular and thereby stand repealed from the date of issuance of this Circular.
11. This circular is issued in the exercise of the powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with regulation 146 of the FM Regulations and shall come into force with immediate effect.
12. A copy of this circular is available on the International Financial Services Centres Authority website at [www.ifsca.gov.in](http://www.ifsca.gov.in).

sd/-  
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**APPLICATION FORM  
FOR  
FUND/SCHEME**

**INSTRUCTIONS**

1. The application form is only meant for use by the FME filing their scheme or fund with IFSCA.
2. The duly filled out application form along with all supporting documents, as specified by IFSCA, shall be submitted by FME to IFSCA before the launch of any scheme or fund.
3. The application form, complete in all respects, shall only be taken on record by the IFSCA.
4. Information that needs to be supplied in more detail, should be given in separate sheets annexed with the application form and appropriately numbered, labelled, and sequenced.
5. The application form and all supporting documents must be duly signed by the authorised signatory of the FME.

## 1. DETAILS OF FUND MANAGEMENT ENTITY (FME)

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b> |
|---------------|--|----------------|
| <b>1.1</b>    | <b>Details of the Manager</b>  |                |
| a)            | Name   |                |
| b)            | Address of the Registered Office   |                |
| c)            | Principal place of business  |                |
| d)            | Telephone number(s)  |                |
| f)            | E-mail address   |                |
|               |  |                |
| <b>1.2</b>    | <b>Details of contact person(s)</b>  |                |
| a)            | Name   |                |
| b)            | Direct line number   |                |
| c)            | Mobile number  |                |
| d)            | E-mail address   |                |
| <b>1.3</b>    | <b>Category under which the FME is registered –</b><br>1) Authorised FME<br>2) Registered FME (Non-Retail)<br>3) Registered FME (Retail) |                |
| <b>1.4</b>    | <b>IFSCA Registration Number</b>   |                |

## 2. SCHEME/FUND INFORMATION

| <b>S. No.</b> | <b>Particulars</b>                             | <b>Details</b> |
|---------------|--|----------------|
| <b>2.1</b>    | <b>Details of the applicant</b>                |                |
| a)            | Name of applicant                              |                |
| b)            | Address of the office of the applicant in IFSC |                |
| c)            | Telephone number(s)                            |                |
| d)            | E-mail address                                 |                |
|               |  |                |
| <b>2.2</b>    | <b>Details of contact person(s)</b>            |                |
| a)            | Name of the contact person(s).                 |                |

|            |   |  |
|------------|---|--|
| b)         | Direct line number  |  |
| c)         | Mobile number   |  |
| d)         | E-mail address  |  |
|            |   |  |
| <b>2.3</b> | <b>Legal structure of applicant</b><br>(Company or Trust or Limited Liability Partnership or a Body Corporate)  |  |
| <b>2.4</b> | <b>Date and place of incorporation/ establishment</b>   |  |
| <b>2.5</b> | <b>Type of Scheme /Fund</b><br>1) Venture Capital Scheme<br>2) Private Equity<br>3) Debt Fund<br>4) Hedge Fund/ Long Only Fund<br>5) Exchange Traded Funds (ETFs)<br>6) Environmental, Social and Governance (ESG)<br>7) Special Situation Funds (SSFs)<br>8) REITS<br>9) InvITs<br>10) Retail scheme |  |
| <b>2.6</b> | <b>Use of Green Channel (as per regulations 19(2) or 31(1) of the IFSCA (Fund Management) Regulations 2022)</b><br>1) Yes<br>2) No  |  |
| <b>2.7</b> | <b>Category under which the application is made –</b><br>1) Category I scheme or fund<br>2) Category II scheme or fund  |  |

|             |  |  |
|-------------|--|--|
|             | 3) Category III scheme or fund<br>4) Retail Fund   |  |
| <b>2.8</b>  | If the applicant proposes to register as a Category III scheme or fund, whether the fund shall be open ended or close ended. |  |
| <b>2.9</b>  | Copy of the draft placement memorandum.  |  |
| <b>2.10</b> | Copy of the SEZ Letter of Approval   |  |

### 3. DETAILS OF THE APPLICANT

#### 3.1 In case applicant is a Trust

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b> |
|---------------|--|----------------|
| <b>3.1.1</b>  | Write-up on the activities of the applicant  |                |
| <b>3.1.2</b>  | Whether the Trust Deed is registered under the provisions of the Registration Act, 1908. (Enclose the Registered Trust Deed) |                |
| <b>3.1.3</b>  | Whether the Trust Deed permits the carrying on of the activity of a scheme or fund   |                |
| <b>3.1.4</b>  | Whether the applicant is prohibited by its trust deed from making an invitation to the public to subscribe to its units      |                |
| <b>3.1.5</b>  | <b>Provide details of Trustees/ Trustee Company as below:</b>  |                |
| a)            | Whether Trustee is an individual or a Trustee company  |                |
| b)            | <b>Details of Trustee:</b><br>Name<br>Registered office address<br>Telephone number(s)                                       |                |
| c)            | <b>Details of contact person(s):</b><br>Name<br>Direct line number<br>Mobile number<br>Email of the contact person(s).       |                |
| d)            | Identity and Address proofs of Trustees/ Directors of the Trustee Company  |                |



|    |  |  |
|----|--|--|
| e) | Whether the Trustee Company is registered with the IFSCA or any other regulatory authority in any capacity along with the details of its registration. |  |
| f) | Brief write-up on the activities of the Trustee Company/ Profile of Trustees.  |  |

### **3.2 In case applicant is a Company**

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b> |
|---------------|--|----------------|
| <b>3.2.1</b>  | Write-up on the activities of the applicant  |                |
| <b>3.2.2</b>  | Shareholding pattern and profile of the directors (Enclose Identity proofs and Address proofs of the directors)  |                |
| <b>3.2.3</b>  | Whether the Memorandum of Association permits carrying on of the activity of a scheme or fund (Enclose the Memorandum of Association)                    |                |
| <b>3.2.4</b>  | Whether the applicant is prohibited by its memorandum and Articles of Association from making an invitation to the public to subscribe to its securities |                |

### **3.3 In case applicant is a Limited Liability Partnership**

|              |   |  |
|--------------|---|--|
| <b>3.3.1</b> | Write-up on the activities of the applicant   |  |
| <b>3.3.2</b> | Beneficial ownership pattern and profile of the partners (Enclose Identity proofs and Address proofs of the partners)   |  |
| <b>3.3.3</b> | Whether the LLP agreement is duly filed under the provisions of the Limited Liability Partnership Act, 2008 and permits carrying on of the activity of a scheme or fund (Enclose the LLP Agreement) |  |
| <b>3.3.4</b> | Whether the applicant is prohibited by its Partnership Deed from making an invitation to the public to subscribe to its securities  |  |

## **4. DETAILS OF CONTRIBUTION BY THE FME IN THE SCHEME OR FUND**

| <b>S. No.</b> | <b>Particulars</b>      | <b>Details</b> |
|---------------|-------------------------|----------------|
| <b>4.1</b>    | <b>Contribution by:</b> |                |

|   |  |  |
|---|--|--|
|   | <b>1) FME or<br/>2) Its associate</b>  |  |
| <b>4.2</b>  | Amount contributed/ proposed to be contributed by the FME or its associate as per IFSCA (Fund Management) Regulations 2022 along with details of the same. (Provide copies of commitment letters from the FME or its associate). |  |
| <i>(Below section to be filled in case the contribution is being made by the associate of an FME)</i> |  |  |
| <b>4.3</b>  | <b>Details of the Entity(s)</b>  |  |
| a)  | Name   |  |
| b)  | Address of the Registered Office   |  |
| c)  | Principal place of business  |  |
| d)  | Telephone number(s)  |  |
| e)  | E-mail address   |  |
|   |  |  |
| <b>4.4</b>  | <b>Details of contact person(s)</b>  |  |
| a)  | Name   |  |
| b)  | Direct line number   |  |
| c)  | Mobile number  |  |
| d)  | E-mail address   |  |
| e)  | Legal status of the Associate (Individual/Company/Limited Liability Partnership/Body Corporate)  |  |
| f)  | Date and place of incorporation/ establishment   |  |
| g)  | Write-up about Entity: Provide write up on shareholding pattern/ Partnership interests and profile of the directors/partners including their professional qualifications   |  |
| h)  | Identity proofs and address proofs of the Directors of Associate (if Associate is a company) Or Partners of the Associate (if Associate is a   |  |

|    |   |  |
|----|---|--|
|    | Limited Liability Partnership).   |  |
| i) | Details of past experience of the Associate in advising or managing pools of capital or in fund or asset or wealth or portfolio management or in the business of buying, selling and dealing of securities or other financial assets. |  |
| j) | Copies of the financial statements of the Associate for the previous financial year   |  |
| k) | Whether the Associate has floated any Alternative Investment Funds/ Venture Capital Funds which are registered with the IFSCA or any other regulatory authority. If yes, provide details of the same                                  |  |

## 5. DETAILS OF INVESTMENT STRATEGY

| S. No. | Particulars  | Details |
|--------|--|---------|
| 5.1    | Scheme name (if any)   |         |
| 5.2    | Investment objective and investment style/strategy of the fund.  |         |
| 5.3    | The target investors   |         |
| 5.4    | The target industries/ sectors (if any)                          |         |
| 5.5    | Proposed corpus  |         |
| 5.6    | Fee disclosure (All fees being charged by the fund)              |         |
| 5.7    | Tenure of the scheme or fund                                     |         |
| 5.8    | Disclosure in PPM if the scheme or fund proposes to use leverage |         |

## 6. DETAILS OF REGULATORY ACTION TAKEN IN THE PAST, IF ANY

| S. | Particulars | Details |
|----|-------------|---------|
|----|-------------|---------|

|            |   |  |
|------------|---|--|
| <b>No.</b> |   |  |
| <b>6.1</b> | Whether the FME or its associate or its Directors/ Partners or Manager(s) or Trustees/ Trustee Company or its Directors are/ were involved in any litigation connected with the securities market and any order has/ had been passed against them for violation of securities laws. <i>(If yes, provide details. If no, enclose a declaration to that effect).</i>        |  |
| <b>6.2</b> | Whether the FME or its associate or its Directors/ Partners or Manager(s) or Trustees/ Trustee Company or its Directors have been refused a certificate by the IFSCA or any other regulatory authority or its/ their certificate has been suspended at any time prior to this application. <i>(If yes, provide details. If no, enclose a declaration to that effect).</i> |  |

## 7. OTHER INFORMATION

| <b>S. No</b> | <b>Particulars</b>  | <b>Details</b> |
|--------------|---|----------------|
| <b>7.1</b>   | Whether the applicant is going to claim exemption for the contribution to be made by the FME or its associate under Regulation 28(4) or Regulation 40(4) of the IFSCA (Fund Management) Regulations 2022. <i>(If yes, provide details of the same).</i> |                |
| <b>7.2</b>   | Whether the FME or its associate or Trustees/ Trustee Company or its Directors satisfies the fit and proper persons criteria specified in the IFSCA (Fund Management) Regulations   |                |

|  |   |  |
|--|---|--|
|  | 2022. (Enclose a declaration to that effect). |  |
|--|---|--|

**8. DECLARATION CUM UNDERTAKING (TO BE GIVEN AS BELOW)**

I, \_\_\_\_\_, the authorised signatory of \_\_\_\_\_ (the 'FME') hereby declare and confirm on behalf of the FME that:

- (i) the FME shall at all times comply with the FM Regulations and subsidiary direction issued thereunder;*
- (ii) no material facts or information have been suppressed or omitted in the documents submitted to IFSCA;*
- (iii) all information provided is complete, accurate and in accordance with the FM Regulations and subsidiary direction issued thereunder by the IFSCA.*

2. I, on behalf of the FME, undertake to promptly inform IFSCA of any material change in the information provided to IFSCA.

3. We understand that failure to comply with FM Regulations, including any subsidiary directions issued thereunder; and any instructions or directions issued by IFSCA, may result in penalties, sanctions, or other enforcement actions by IFSCA.

For and on behalf of \_\_\_\_\_

**(Name of the FME)**

**Authorized signatory**

**(Signature)**

| <b>SUBMISSION CHECKLIST<sup>1</sup>- FILING OF SCHEME/FUND</b> |  |                |
|--|--|----------------|
| <b>S. No.</b>  | <b>Items</b>   | <b>Remarks</b> |
| <b>1</b>   | Searchable & Readable soft copy of the Application Form  |                |
| <b>2</b>   | Searchable copy of the Private Placement Memorandum  |                |
| <b>3</b>   | Trust Deed/ LLP Agreement (As applicable)  |                |
| <b>4</b>   | FME Certificate of Registration from IFSCA   |                |
| <b>5</b>   | Profile of Directors of the Trustee  |                |
| <b>6</b>   | Self-attested KYC <sup>2</sup> of Directors of the trustee   |                |
| <b>7</b>   | Self-attested KYC of the Investment team / Investment Committee  |                |
| <b>8</b>   | SEZ Letter of Approval for the Applicant   |                |
| <b>9</b>   | PAN of the Applicant   |                |
| <b>10</b>  | GSTN of the Applicant (If available)   |                |
| <b>11</b>  | Copy of the proof of payment towards the applicable fee (SWIFT MT103)  |                |
| <b>12</b>  | Commitment Letter under item 4.2 of the Application Form   |                |
| <b>13</b>  | Declaration under item 6.1 of the application form for: <ul style="list-style-type: none"> <li>• FME &amp; Associate(s) of FME</li> <li>• Trustee</li> </ul> |                |
| <b>14</b>  | Declaration under item 6.2 of the application form for: <ul style="list-style-type: none"> <li>• FME &amp; Associate(s) of FME</li> <li>• Trustee</li> </ul> |                |
| <b>15</b>  | In case of availing exemption under item 7.1 of the application form- Corresponding Declaration <sup>3</sup> .   |                |
| <b>16</b>  | Declaration under item 7.2 of the application form   |                |
| <b>17</b>  | Declaration under item 8 of the application form   |                |

<sup>1</sup> a. The application will be considered complete once all the required information and documents listed in the provided checklist have been submitted.

b. Kindly attach the stated checklist with the application at the time of submission to IFSCA.

<sup>2</sup> KYC documents as defined under the IFSCA (Anti-Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022.

<sup>3</sup> Only in cases where exemption is sought under 28(4)(a) and 40(4)(a), Declaration stating that:

1. The FME will seek waiver from 2/3<sup>rd</sup> of the investors in relation to the FME contribution, as permissible under IFSCA (Fund Management) Regulations, 2022.

2. In case the said waiver is not secured from the investors, then the FME shall make requisite contribution in the scheme/fund in accordance with the IFSCA (Fund Management) Regulations, 2022.