



CIRCULAR

F. No. IFSCA-IF-10PR/1/2023-Capital Markets/3

March 11, 2024

To,

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

Dear Sir / Madam,

Sub: Clarifications in relation to Fund Management Entities and Schemes set up in IFSCs by Sovereign Wealth Funds

1. Reference is drawn to the International Financial Services Centres Authority (Fund Management) Regulations, 2022 (hereinafter referred to as the “Regulations”), notified in the official Gazette on April 19, 2022, and the Circular dated March 01, 2023, issued thereunder to remove certain difficulties faced by Sovereign Wealth Funds in setting up Fund Management Entities (FME) and Schemes in IFSC.
2. In furtherance to the above, the following is clarified with respect to Sovereign Wealth Funds desirous of setting up FMEs and schemes in IFSC, wherein the Sovereign Wealth Fund is the ultimate contributor and beneficiary:
 - a. The requirement of appointment of an independent custodian shall not be applicable to open-ended Restricted Schemes and all other schemes with AUM above USD 70 Million [sub-regulation (2) and (3), respectively, of regulation 132 of the Regulations];
 - b. The requirement of having the office space of the FME to be dedicated, secured and accessible only by authorised person(s) of the FME [sub-regulation (2) of regulation 10 of the Regulations] is relaxed to the extent that

the FME and trustee of Scheme(s) set up in the form of trust, may occupy the same office space if their services are not offered to any third-party.

3. This circular is issued in exercise of the powers conferred under sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with regulation 146 of the Fund Management Regulations, and shall come into force with immediate effect.

A copy of this Circular is available on the website of International Financial Services Centres Authority at www.ifsca.gov.in.

Yours faithfully

Sd/-

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