

CHAPTER I PRELIMINARY

Short Title and commencement

1. (1) These regulations may be called the International Financial Services Centres Authority (Global In-House Centres) Regulations, 2020.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. Definitions

(1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly: -

- (a) “Act” means the International Financial Services Centres Authority Act, 2019 (50 of 2019);
- (b) “Authority” means the International Financial Services Centres Authority established under sub-section (1) of section 4 of the Act;
- (c) “financial services group” shall mean any entity which is regulated by a financial services regulator or any other competent body regulating financial services activities in its home jurisdiction and include its holding, subsidiary or associate companies, branch, or subsidiary of a holding company to which it is also a subsidiary.

Provided that in case of any doubt as to whether the group constitutes a “financial services group” or any entity within the group qualifies as such, an application may be made to the Authority for determination, whose decision shall be final.

- (d) “foreign currency” shall have the same meaning assigned to it in clause (m) of Section 2 of Foreign Exchange Management Act, 1999;
- (e) “Global In-House Centre” means a unit set up in the International Financial Services Centre for providing support services, directly or indirectly, to entities within its financial services group, including but not limited to banks and non-banking financial companies, financial intermediaries, investment banks, insurance companies, re-insurance companies, actuaries, brokerage firms, funds, stock exchanges, clearing houses, depositories, and custodians, for carrying out a financial service in respect of a financial product;
- (f) “INR” means the Indian currency called the Indian Rupee;
- (g) “International Financial Services Centre” shall have the same meaning as assigned to it under clause (g) of sub-section (1) of Section 3 of the Act;
- (h) “regulations” means these regulations; and
- (i) “USD” means United States Dollar.

(2) Words and expressions used and not defined in these regulations, but defined in the Act or Acts mentioned in the First Schedule to the Act or any rules, regulations made thereunder shall have the same meanings respectively assigned to them in those Acts, rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II**REGISTRATION OF A GLOBAL IN-HOUSE CENTRE****Eligibility criteria**

3. (1) An applicant desirous of being registered as a Global In-House Centre shall be required to meet the following eligibility criteria:

- (i) It shall exclusively cater to its financial services group wherein the entities served must be located in Financial Action Task Force compliant jurisdictions; and
- (ii) The support services provided to its financial services group should be for the purpose of carrying out a financial service in respect of a financial product;

Application for registration

4. (1) Any eligible entity, which is desirous of registering itself as a Global In-House Centre may submit an application in the form and manner as may be specified by the Authority.
- (2) Every application under sub-regulation (1) shall contain such particulars and be accompanied by such documents as may be specified by the Authority.
- (3) Every application under sub-regulation (1) for registration as a Global In-House Centre shall be accompanied by such fee as may be specified by the Authority.

Grant of Registration

5. (1) If the Authority is satisfied, after making such enquiry as may be necessary in this behalf and after obtaining such further information as it may require, that the eligibility criteria is met, it may grant registration to the Global In-House Centre subject to such conditions as may be specified.
- (2) The Authority shall not reject an application without giving due opportunity to be heard to the applicant, and the reasons for such rejection shall be communicated to the applicant in writing.

CHAPTER III**FUNCTIONING OF A GLOBAL IN-HOUSE CENTRE****Permissible services and activities**

6. (1) A Global In-House Centre, meeting requirements under regulation 3, shall provide services to non-resident entities only.
- (2) Relocation of employees from an existing entity in the domestic area in India shall be permissible with respect to supervisory personnel only, which may be allowed with prior approval of the Authority up to a maximum of twenty percent of the strength in such category.

Currency and mode for conducting business

7. (1) A Global In-House Centre shall deal in freely convertible foreign currency only;
Provided that it may defray its administrative expenses in INR by maintaining an INR account as may be specified by the Authority.
- (2) A Global In-House Centre may conduct its business in any mode permitted by the Authority, including branch mode.

CHAPTER IV

OPERATIONAL REQUIREMENTS

Reporting requirements

8. (1) A Global In-House Centre shall be required to furnish information relating to its operations to the Authority in such manner and form and at such intervals as may be specified by the Authority.
- (2) A Global In-House Centre shall submit all reports to the Authority in USD, unless otherwise specified.

Maintenance of books of accounts, records and documents

9. A Global In-House Centre shall maintain its books of accounts, records and documents, in such foreign currency as may be declared at the time of making an application under these regulations.

CHAPTER V

MISCELLANEOUS

Power to specify procedures and issue clarifications

10. For the purpose of implementation of these regulations and matters incidental thereto, or in order to facilitate and regulate financial services relating to Global In-House Centre in an International Financial Services Centre, the Authority may specify norms, procedures, processes, manners or provide relaxations, by way of guidelines or circulars.

Action in case of default

11. (1) If a Global In-House Centre fails to fulfil the conditions subject to which the registration under regulation 5 has been granted, the Authority may withdraw the registration, after giving an opportunity of thirty days to the Global In-House Centre to make its submissions, if any.
- (2) Without prejudice to the above, the Authority may take any other action as it deems fit under the Act.

INJETI SRINIVAS, Chairperson
[ADVT.-III/4/Exty./353/2020-21]