

**Keynote Address by Shri K. Rajaraman, Chairperson, IFSCA**  
**at International Public Conference in the 39<sup>th</sup> AGM of ICSA in New Delhi**

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- Good morning distinguished guests, respected members of the International Council of Securities Associations, representatives of securities associations from across the world, members of the Bombay Brokers Forum, and friends from the financial markets.
- It is a pleasure and privilege to join you today in New Delhi for this conference as part of Annual General Meeting of ICSA. I would like to thank the Bombay Brokers Forum for inviting me to be part of this distinguished gathering.
- ICSA has, over the decades, played an important role in bringing together securities industry associations from across jurisdictions. In an increasingly interconnected financial world, platforms such as ICSA help facilitate dialogue, exchange of ideas, and collective thinking on the future of capital markets.
- Today, the **world today faces mounting economic and geopolitical challenges** such as slowing growth, inflationary pressures, supply-chain disruptions, and rising global fragmentation. In this **uncertain environment, India stands out as a beacon of stability and resilience**, emerging as one of the fastest-growing major economies and a **trusted voice of the Global South**.
- Through structural reforms, digital public infrastructure, green transition initiatives, and manufacturing expansion, India is strengthening its role as a global growth engine. While the world struggles with slower growth (~ 2-3%), India is growing significantly faster at close to 7%-8%. In fact, **India grew by 8.2% in the second quarter of FY 2025-26. Also, India contributes approximately 17-18% to global economic growth** and acts as a major driver of global expansion. In a few years, India would certainly be the **third largest economy** by 2030 and with sustained high growth over a period of two to three decades, we could well go beyond the **USD 25 trillion** mark by 2047 when India turns 100.
- India has emerged as a **cornerstone of global allocation strategies** due to its **expanding capital markets, rapidly growing start up ecosystem** and the increasing institutionalization of domestic savings.

- India's startup ecosystem has grown rapidly under Startup India, rising from about 445 recognised startups in 2016 to **over 2 lakh government-recognised startups** by 2025. This expansion has made India the **third-largest startup ecosystem globally**, after the USA and China, attracting broad innovation and investment. Over the decade, **India has produced 110+ unicorns** (startups valued over \$1 billion), underscoring its maturing tech and entrepreneurial landscape.
- India's **macroeconomic fundamentals remain strong** even as India remains the fastest-growing major economy in the world and despite the global uncertainties which seem to mount with every passing month. Retail inflation has moderated within the RBI's tolerance band, reflecting improved price stability. India's retail inflation based on the new **Consumer Price Index (CPI) (base year 2024) stood at 2.75%** for January 2026, marking the first release under the revised series. **India's foreign exchange reserves recently reached an all-time high of ~ \$725 billion**, providing a strong external buffer.
- **Financial sector deepening** is equally visible. The maturity of **India's capital markets** is demonstrated by their expansion from **144% of GDP in 2017 to 175% in 2024**. **Equity market capitalisation** now exceeds **130% of GDP**, and **unique investors** crossed the **12-crore milestone** in September 2025.
- Total **demat accounts in Domestic Capital Markets in India has surpassed 216 million** by the end of December 2025 , reflecting expanding investor participation. India also **witnessed record capital mobilisation through IPOs in recent years**. The **banking sector has strengthened significantly**, with gross NPAs declining to nearly a decade low. The **gross NPA ratio** for domestic operations, has been continuously declining during the last eight financial years, and were at **a historic low of 2.15% as at the end of September 2025**.
- Hon PM vocalised the need for Bharat, transforming into a developed nation by 2047 when India turns 100. His vision of ViksitBharat @ 2047 is now gathering pace with work happening in 4 pillars – reforms, investments, technology and financial inclusion 2.0. Capital formation is at the heart of the Investment **pillar for VB@2047 and GIFT City is designed to be a global platform to attract global capital to fuel the India growth story**.

- In 2019, Indian Parliament enacted the IFSC Act which created this special offshore jurisdiction within onshore India. The Law created IFSC Authority, India's 5th financial sector regulator. IFSCA is a unified regulator – regulating banking CM, Insurance and Pensions as well. IFSCA has notified 35 globally benchmarked, principle-based regulations aligned with international jurisdictions.
- GIFT IFSC embodies the **strategy of “onshoring the offshore.”** By combining the stability of Indian jurisdiction with the flexibility of international market practice such as **foreign currency operations** without any regulatory capital controls **and a unified regulatory framework under IFSCA**, GIFT IFSC offers a **globally competitive value proposition.**
- A **major differentiator is its globally competitive tax regime.** Hon Finance Minister in the Union Budget 2026-27 **extended the tax holiday for units in GIFT City's International Financial Services Centre (IFSC) to 20 years out of 25 years, up from the previous 10-year period** with effect from April 1st 2026. Eligible units can claim a 100% tax deduction for 20 consecutive years within a 25-year block. **Following this, a flat 15% corporate tax rate** applies.
- I am glad to share that today, the **number of entities in GIFT IFSC licensed by IFSCA has crossed 1000** and **GIFT City has broken into the top 50 in the Global Financial Centres Index** that was globally released in October 2025. Notably, it remains the **only Indian financial centre in the top 15 in the Asia-Pacific region.**
- Across financial verticals, GIFT IFSC has achieved notable scale. As on December 2025, it **hosts 40 banks, including many globally systemically important** with combined **assets exceeding USD 104.5 billion.** 25% of this is lending to global jurisdictions.
- The **capital market ecosystem** at GIFT IFSC has taken off decisively. The **capital markets ecosystem** includes two international exchanges two clearing corporations, one depository, and **150+ intermediaries**, covering broker-dealers, custodians, investment banks, credit rating agencies, and other market participants. Trading activity has accelerated, with **monthly turnover on IFSC exchanges of ~USD 90 billion, while cumulative debt listings have crossed USD 66 billion, with ESG dent**

**listed at ~ \$ 16 Bn.** In fact, recently, **GIFT Nifty** reached an all-time high single day turnover of US \$23.48 billion on February 20, 2026.

- This financial year, a **Sri Lankan issuer raised funds via GIFT IFSC**, highlighting its role as a neutral and efficient platform for regional capital raising. Such transactions position GIFT as an **emerging financial hub in South Asia**. Also, **sovereign ratings from entities operating in GIFT** have **influenced global rating upgrades**. Through regulatory innovation and financial reforms, India is increasingly influencing global standards and setting a **template for other emerging economies**.
- IFSC has a **vibrant and a flourishing fund management industry** with **more than 200 FMEs** (Fund Management Entities) that have set up **more than 325 schemes with total commitment raised at \$ 32.13 Bn with funds raised exceeding USD 17 billion**.
- Beyond capital markets, the IFSC is expanding into bullion trading through the **International Bullion Exchange (IIBX)**. GIFT IFSC aims to become a **global commodity trading hub** through regulatory overhauls, tax incentives, and infrastructure development.
- Innovation is encouraged through **the Fintech Framework** via IFSCA's regulatory and innovation **sandboxes**. Rapid progress is also visible in insurance, reinsurance, aircraft and ship leasing, trade finance, and global capability centres, supported by continuous ease-of-doing-business reforms and improving physical and social infrastructure.
- As of December 31, 2025, IFSCA has authorised 24 IIOs (IFSC Insurance Office) having premium written at \$157.58 Mn and 31 IIIOs (IFSC Insurance Intermediary Office) having transacted premium worth of \$141.96 Mn, 34 Aircraft Lessors, 29 Ship Lessors, 7 Book-keeping, Accounting, Taxation, and Financial Crime Compliance Services Providers, 116 TechFin and Ancillary Service Providers , 3 Global In-House Centre (GIC) and even 2 operational foreign universities.
- Over the past few years, the capital markets ecosystem at GIFT IFSC has witnessed encouraging growth. One of the most notable success stories has been in the **derivatives segment**. NSE International Exchange (a subsidiary of the NSE India) has entered into a connect arrangement (known as **GIFT Connect**) with Singapore Exchange for trading of NIFTY Derivatives. Since the full scale operationalisation of this Connect (in July, 2023), average monthly turnover has of NIFTY Derivatives on NSE IX

has been approximately USD 90 Bn. Bank IBUs in IFSC booked USD 37 billion in OTC Fx, IRS and other derivatives in Jan 2026.

- The IFSC Stock Exchanges, INDIA INX and NSE IX have also emerged as an important platforms for **bond listings**. The exchanges at GIFT IFSC have facilitated the listing of approximately USD 69 billion worth of corporate bonds, demonstrating strong issuer interest in the platform. Notably, around USD 16 billion of these issuances are **ESG-labelled bonds**, highlighting the increasing importance of sustainable finance and the role the IFSC can play in channeling capital towards environmentally and socially responsible investments.
- Another important milestone that we look forward to is the **equity listing of the first Indian company** on the stock exchanges in GIFT IFSC. This will mark a new chapter in the evolution of India's capital markets, providing Indian companies with an additional platform to access global capital.
- An equally significant feature of the IFSC ecosystem is the ability it offers **brokers to access global markets** from GIFT-IFSC through the Global Access Program. This enables NRIs to host their global investments through Global Intermediaries while allowing resident Indians to invest via the LRS route in global stock markets. Through the IFSC framework, registered brokers / global access providers can facilitate trading by investors in a wide range of overseas securities and products. This creates an efficient gateway for Indian and international investors to access global opportunities through a well-regulated international financial centre.
- Our approach at the International Financial Services Centres Authority has been guided by **three key principles: global standards, regulatory clarity, and ease of doing business**. We aim to build a regulatory framework that is internationally competitive while maintaining high standards of market integrity and investor protection.
- GIFT IFSC is not and will never aspire to be just a tax haven built on opacity or regulatory arbitrage. Our **emphasis on substance requirements and compliance standards is deliberate. Investor protection is non-negotiable**.
- Transparency is foundational. **Trust is the currency of global finance**. Entities operating in GIFT IFSC must ensure real operations, adequate staffing, meaningful decision-making presence, and adherence to regulatory norms. Short-term

opportunism weakens ecosystems. Long-term credibility strengthens them. Regulators are facilitators. We are also enablers. But we are also guardians of systemic integrity. IFSCA has recently set up a High-Level Committee under Chairmanship of Mr Ajay Tyagi, former SEBI Chair, to review the Market Supervision, Surveillance and Enforcement practices by IFSCA and enable IFSCA to improve order in IFSC financial markets.

- However as global markets evolve, IFSCA aims to support innovation, with guard rails — whether in fintech, digital assets, sustainable finance, or new market infrastructure. The IFSC innovation and regulatory sandbox has attracted techies to test new products, including tokens based on real world assets.
- Equally important is our engagement with market participants. The growth of any financial centre depends on continuous dialogue between regulators, intermediaries, exchanges, and investors. Forums such as this gathering of ICSA provide valuable perspectives that help shape the future direction of markets. IFSCA has a regulation on ensuring that regulations are made with effective public consultations. A consultation Paper on IFSCA (Prohibition of Market Abuse in Securities Markets) Regulations, 2026 was issued on 6th March. Another consultation paper on Public Consultation – Draft International Financial Services Centres Authority (Electronic Trading Platform) Regulations was issued in February covering Government securities, money market instruments, foreign exchange instruments, derivatives, or other instruments of like nature.
- Recently, **India hosted the AI Impact Summit**, which saw remarkable participation from global leaders, industry stalwarts, regulators and startups. It reaffirmed our conviction that **AI is not a distant possibility; it is a present imperative**. Just as **AI is transforming almost every aspect of our environment around us, it is bound to bring about a paradigm shift in the way financial sector evolves** over time. In capital markets, AI could reshape risk management, compliance monitoring, algorithmic trading, fraud detection, customer onboarding, portfolio analytics, cross border capital flows etc. In insurance, it would redefine underwriting and claims processing. In banking, it would be personalizing credit decisions and strengthening anti-money laundering frameworks. Regulators can detect insider trading, pump and dump arrangements, and other forms of market abuse in real time. But we must remember, **technological advancement and prowess will also come with great risks – of**

**financial stability, market abuse, ML & FT, bias, discrimination, lack of explainability, etc Therefore application of technology must be guided by values that are anchored in trust.** IFSCA is building a SupTech system that will assist in better market supervision as we add more products in the platform. ICSA should play an important role in enabling use of AI for public good.

- India has been the worlds development centre in most sectors, especially in IT, with more than 2000 Global Capability Centres of the Worlds largest MNCs located in India. With talent being mobile, GIFT also leverages India's large talent pool, further strengthened by a growing ecosystem of five reputed foreign universities in GIFT IFSC that help build a steady pipeline of globally trained professionals. A Centre of Excellent in AI and a Global FinTech Hub has been set up by the Government of Gujarat. We welcome companies to set up Technology based services for the World markets in GIFT making use of the attractive tax policy and the talent ecosystem. The TechFin and Ancillary Services Regulations as well as the GIC / BATF regulations enable you to set up middle and back offices using India's prodigious talent..
- I believe that the discussions at this event/ conference will contribute meaningfully to that objective. Once again, I congratulate the Bombay Brokers Forum for hosting this important event and bringing together such a distinguished global community of securities market professionals.
- I wish the deliberations of the International Council of Securities Associations a great success and look forward to continued collaboration between global market participants and India's International Financial Services Centre.

**Jai Hind!!**

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