

IFSCA signs pact with RBI to supervise regulated entities

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- New Delhi: The International Financial Services Centres Authority (IFSCA) on Wednesday said it has signed an agreement with the Reserve Bank of India (RBI) for collaboration in the field of regulation and supervision of regulated entities in their respective jurisdictions.

“The Memorandum of Understanding (MoU) facilitates technical cooperation and exchange of information,” the IFSC Authority said in a statement.

The IFSCA, being a unified regulator responsible for development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre(s) (IFSC) established in India, is, inter-alia, entrusted with the responsibility of regulation and supervision of authorized banks and non-banking financial institutions operating in such IFSCs.

The RBI is the central bank and monetary authority of India carrying on, inter-alia, the regulation and supervision of banks and non-banking financial institutions as well as undertaking other functions and exercising powers in accordance with various statutes.

“The MoU opens up avenues for cooperation between the two regulators, thereby strengthening the safety, stability and soundness of respective financial ecosystems and nurturing environments conducive to optimal business development and economic growth,” the statement reads.

IFSCA is a statutory authority established under the IFSCA Act 2019, headquartered at GIFT City, Gandhinagar. It was established with a mandate to develop and regulate the financial products, financial services, and financial institutions in the International Financial Services Centres (IFSCs).

The GIFT IFSC is currently the maiden international financial services centre in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, Securities and Exchange Board of India (Sebi), Pension Fund Regulatory and Development Authority (PFRDA) and Insurance Regulatory and Development Authority (IRDAI) regulated the business in IFSC.