



Relaxations for AIFs relocating to IFSC

International Financial Services Centre Authority (“**IFSCA**”) has further revised the framework for Alternative Investment Funds (“**AIFs**”) operating in International Financial Services Centres (“**IFSC**”) in order to ease the relocation of AIFs established outside India to IFSC:

Requirement to maintain the continuing interest by Manager or Sponsor of AIF (as set out below) **has been made voluntary for AIFs relocating to IFSC**

- For Category I AIF and Category II AIF in IFSC: At least 2.5% of the corpus or USD 750,000, whichever is lower; and
- For Category III AIFs in IFSC: At least 5% of the corpus or USD 1.5 million, whichever is lower.

Investment in Mutual Fund are permitted

- AIFs in IFSC are permitted to invest in units of schemes launched by Mutual Fund regulated in Financial Action Task Force compliant jurisdictions, including India.

The aforementioned were notified vide a circular dated June 25, 2021 ([available here](#)).

This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.

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