



A BHATT & JOSHI PRACTITIONER HANDBOOK
PRACTITIONER SERIES · BOOKLET IX · MAY 2026 · FIRST EDITION

THE GLOBAL ADMINISTRATIVE OFFICE AT GIFT

*A Practitioner's Handbook on Module 17 of the IFSCA
Banking Handbook and the 2022 Amendment Regulations*



IFSCA (BANKING) AMENDMENT REGS 2022 · CLAUSE (da)
IFSCA BANKING HANDBOOK v6.0 — MODULE 17 (GAO)
IFSCA (GIC) REGULATIONS 2025 (29 DEC 2025) — COMPANION
INCOME-TAX ACT 2025 §147 · §92BA / RULES 10TA-10TG
CBDT NOTIFICATION 28/2024 (NO-TDS-FOR-IFSC)

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FOREWORD

This booklet is the ninth in the Bhatt & Joshi Associates Practitioner Series. It addresses the Global Administrative Office (GAO) pathway at GIFT City IFSC — the low-capital administrative-and-coordination shell that a foreign or domestic banking group may establish to centralise the back-office, regulatory-reporting and compliance functions of its global or regional operations.

The presentation follows the firm's practitioner-handbook discipline: every operative claim is anchored in verbatim statutory or regulatory text where the gazette source has been verified; uncertainties are expressly flagged for verification before reliance.

CHAPTER ONE

Regulatory Architecture — Two Instruments, One Pathway

Citations: IFSCA (Banking) (Amendment) Regulations 2022, Notification No. IFSCA/2022-23/GN/REG025 dated 29 June 2022; IFSCA Banking Handbook — Conduct of Business Directions v6.0 of 5 April 2024, Module 17.

¶ **1. The two-instrument structure.** The GAO regime is not a standalone IFSCA Regulation. It sits across two instruments: (a) the IFSCA (Banking) (Amendment) Regulations 2022 of 29 June 2022, which insert the definition of GAO into the principal Banking Regulations 2020; and (b) the IFSCA Banking Handbook — Conduct of Business Directions v6.0 of 5 April 2024, Module 17, which provides the operative procedure.

IFSCA (BANKING) (AMENDMENT) REGS 2022 — NEW CLAUSE (da) (VERBATIM)

'Global Administrative Office' or 'GAO' means a financial institution set up by its Parent Bank in IFSC for undertaking any one or more of the following activities,

namely: (i) managing, administering, or coordinating operations of the Parent Bank or any of the Group entities either in IFSC or outside IFSC; (ii) providing support services to Parent Bank or any of the Group entities for execution of the permitted activities either in IFSC or outside IFSC. Provided that the activities pertaining to a jurisdiction outside IFSC shall be subject to the directions and instructions of the relevant regulator in the said jurisdiction.

Source: IFSCA Notification No. IFSCA/2022-23/GN/REG025 dated 29 Jun 2022; Gazette ADVT.-III/4/Exty./152/2022-23.

IFSCA REGULATION 3(9) (AS SUBSTITUTED, 29 JUNE 2022)

A Parent Bank may set up its Representative Office or Global Administrative Office in IFSC under a suitable mechanism, subject to such conditions as may be specified by the Authority.

Source: IFSCA (Banking) (Amendment) Regulations 2022, Regulation 3(9).

PREMISE. A foreign banking group wishes to establish an administrative coordination hub at GIFT City IFSC to manage its global back-office functions.

AUTHORITY · IFSCA (Banking) (Amendment) Regs 2022, clause (da) read with Module 17

The GAO pathway is expressly contemplated for a banking group with an existing or proposed Indian / IFSC banking presence.

IFSCA Notification IFSCA/2022-23/GN/REG025; Module 17, Banking Handbook v6.0.

APPLICATION. The parent bank applies through SWIT for a Letter of Permission; the GAO is set up either as part of the IBU's premises or as a separate registered entity, depending on the parent's preferred structure.

CONCLUSION. The GAO pathway is open to any banking-regulated parent group. For non-bank financial-services groups, the IFSCA (Global In-House Centres) Regulations 2025 (in force 29 Dec 2025) provide the parallel pathway (Chapter 3).

CHAPTER TWO

Eligibility, Capital and the SWIT Application

Citations: IFSCA Banking Handbook v6.0 Module 17; SWIT portal (swit.ifsc.gov.in); IFSCA Circular dated 8 October 2024 on Single-Window IT System.

¶ **1. Eligibility criteria.** Eligibility conditions in Module 17 substantially mirror the Representative Office regime in Module 12 of the same Handbook. The applicant must be (i) duly regulated in its home jurisdiction by internationally-accepted standards (post-2024 amendment, specifically subject to a proven AML / CFT track record rather than a binary FATF-compliance test); (ii) able to produce a no-objection letter from its home regulator; and (iii) able to demonstrate sound financial standing across the immediately past three years.

VERIFICATION FLAG — MODULE 17 §§3-7

The full verbatim text of Module 17 §3 (Opening), §4 (Conditions), §5 (Procedure) and §7 (Permitted Activities) of the IFSCA Banking Handbook v6.0 should be re-pulled from the live IFSCA PDF before publication. This booklet reproduces the substantive position from the verified 2022 Amendment Regulations and from authoritative secondary commentary (SCC Online, Chambers, Juris Corp, ICSI study material). The Firm should verify Module 17's exact text before commercial reliance.

¶ **2. Capital threshold.** The minimum assigned capital widely cited in advisory literature is USD 200,000 — materially below the USD 20 million applicable to an IBU. The GAO is, by design, a low-capital administrative vehicle; its purpose is not to bear risk on balance sheet but to centralise the group's administrative functions.

2.1 SWIT application — six steps

- 1.** Engage the IFSCA Informal Guidance Scheme 2024 for a pre-filing read on any open questions (recommended, optional).
- 2.** Apply through the Single-Window IT System (swit.ifsc.gov.in), the sole live channel since 1 October 2024.
- 3.** File the home-regulator NOC, board resolution, proposed scope of activities, staffing plan, financial position of the parent.
- 4.** Capital subscription — at least USD 200,000 assigned capital remitted into the IFSC-designated escrow.
- 5.** IFSCA grants in-principle approval within 180 days (extendable). Deficiencies must be cured by the applicant within 30 days.
- 6.** Resident-Indian KMP recruitment: Principal Officer and Compliance Officer in direct employment of the GAO, physically resident at GIFT.

CHAPTER THREE

Permitted Activities and the GAO-vs-GIC Boundary

Citations: 2022 Amendment Regulations clause (da); IFSCA (Global In-House Centres) Regulations 2025 (in force 29 December 2025); Business Standard / SCC Online commentary.

¶ **1. The permitted universe.** Permitted activities for a GAO are: managing, administering and coordinating the parent bank or group-entity operations; providing ancillary support services for the execution of those activities. Indicatively (per Grant Thornton, PwC and Veritas Legal commentary): regulatory-reporting consolidation, accounting, internal compliance, MIS, treasury support, internal-audit coordination, financial-crime compliance and HR shared services.

¶ **2. The prohibited universe.** Prohibited activities follow from the GAO's character as a non-risk-bearing administrative shell: it cannot effect contracts of insurance, cannot undertake fund management, cannot do principal trading, cannot accept deposits, cannot underwrite credit. Any of these activities require separate IFSCA licences (Banking, FME, RIB, etc.).

3.1 GAO vs Global In-House Centre – operative distinction

IFSCA (GLOBAL IN-HOUSE CENTRES) REGULATIONS 2025 – KEY PROVISIONS (per SCC Online summary)

IFSCA notified the GIC Regulations 2025 in force 29 December 2025, repealing the 2020 GIC Regulations. Eligibility extends to any "Financial Institution Group" (banks, NBFCs, insurers, broker-dealers, custodians, clearing corporations, asset managers). India-related revenue capped at 10%. No mere transfer of existing India contracts. Full-time Principal Officer and Compliance Officer based in IFSC. Foreign-currency operations. 90-day transition for existing GICs.

Source: SCC Online – IFSCA Global In-House Centres Regulations Legal Update, January 2026.

¶ **3. Choosing between GAO and GIC.** The substantive boundary: the GAO is the banking-group administrative shell (Module 17 of the Banking Handbook). The GIC is the broader financial-group capability / technology shell (IFSCA GIC Regulations 2025). For a banking group with an existing IBU at GIFT, the GAO is the simpler route; for a multi-line financial-services group (insurer + broker-dealer + fund manager + bank), the GIC Regulations 2025 are the preferred vehicle.

CHAPTER FOUR

Tax Treatment and Transfer-Pricing Position

Citations: Income-tax Act 1961 §80LA(1A) (legacy); Income-tax Act 2025 §147 (operative 1 April 2026); §92BA (Specified Domestic Transactions); Rules 10TA-10TG (Safe Harbour); CBDT Notification No. 28/2024 and No. 64/2023 (TDS exemption on payments to IFSC units).

INCOME-TAX ACT 1961 §80LA(1A) – VERBATIM (LEGACY)

Where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to one hundred per cent of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years...

Source: Income-tax Act 1961, Section 80LA(1A). Migrated to Section 147 of the Income-tax Act 2025 from 1 April 2026.

¶ **1. Section 147 and the Budget 2026-27 extension.** The Income-tax Act 2025 (in force 1 April 2026) consolidates the IFSC unit tax holiday at Section 147. The Union Budget 2026-27 proposes to extend the deduction period to 20

consecutive years out of 25, with a 15% concessional rate applicable to post-holiday income (per KNAV, BDO and EZTax commentary). Existing IFSC units can opt into the extended 20-year window.

¶ **2. Transfer-pricing positioning.** Section 80LA is not listed in Section 92BA of the Income-tax Act, which means that transactions between a GIFT IFSC unit and a DTA group entity arguably fall outside the Specified Domestic Transactions net. Cross-border charge-out from a GAO to overseas parent or group entities is, however, an "international transaction" under Section 92B, attracting standard transfer pricing — the safe-harbour rules at Rules 10TA-10TG (as amended by CBDT in 2025) apply for routine ITES / BPO / KPO charge-outs at cost-plus margins.

¶ **3. GST.** Services exported by the GAO to its overseas parent qualify as zero-rated export of services for GST purposes (IGST Act, Section 16), subject to the IGST conditions. The GIFT IFSC SEZ status further provides upfront IGST exemption on procurements.

**CBDT NOTIFICATION 28/2024 — NO TDS ON PAYMENTS TO IFSC UNITS
(verbatim summary)**

Specified payments made to IFSC units are exempt from TDS, subject to declaration by the recipient and reporting by the payer. Notification supersedes earlier CBDT Notification 64/2023.

Source: CBDT Notification No. 28/2024; BDO India direct-tax alert.

CHAPTER FIVE

Operational Setup — Premises, KMP, Governance

Citations: IFSCA Banking Handbook v6.0 (governance + operations); IFSCA GIC Regulations 2025 (KMP residency standards); Bank of America Global Business Services Centre at GIFT (public press, 2024).

¶ **1. Premises and the Bank of America precedent.** The GAO operates from premises within the GIFT IFSC SEZ. It may share premises with the parent's IBU or operate as a separately-leased unit. The Bank of America Global Business Services Centre, spanning approximately 1 lakh sq ft across six floors of the "Pragya" tower in the GIFT SEZ, is the marquee precedent — 500 hires done with a scaling target of 1,500 employees.

¶ **2. KMP residency.** Key managerial personnel: the GAO is required to appoint a resident-Indian Principal Officer (effective KMP) and a Compliance Officer, both physically resident at GIFT City and in direct employment of the GAO. The 2025 GIC Regulations have crystallised the KMP-residency standard at a sectoral level, and the Banking Handbook expectation for a GAO follows the same logic. Recent

IFSCA relaxations have introduced a certification-led route with reduced experience thresholds for KMPs in IFSC entities.

CHAPTER SIX

Strategic Choice — Comparator with Singapore, Hong Kong, DIFC, Mauritius

Sources: Treelife — GIFT City vs Dubai DIFC vs Singapore; EY — Global / Regional Corporate Treasury Centres and the India Advantage (June 2025); HKMA Corporate Treasury Centre regime; PwC Mauritius corporate-tax summary.

¶ **1. The comparator.** The choice of GIFT City IFSC for a GAO is best assessed in comparative perspective. Singapore's IHQ / FSI programme grants 5% to 10% concessionary tax on qualifying income but operates through EDB-negotiated incentives without a statutory minimum capital. Hong Kong's Corporate Treasury Centre regime offers 8.25% (half the headline) on qualifying treasury income, election-based, with no pre-approval. Dubai DIFC offers 0% within the DIFC perimeter (9% UAE-wide above AED 375,000 from June 2023), with a USD 50,000 minimum share capital. Mauritius GBC offers a 15% headline rate reduced to an effective 3% via the 80% partial-exemption regime, with substance testing.

6.1 When GIFT IFSC is the right choice

- When the parent has — or wishes to establish — an Indian banking subsidiary, branch (IBU) or IBC that the GAO will administratively support.
- When India is a material part of the parent's commercial footprint (whether servicing Indian residents through ECB / NRI / portfolio flows).
- When the parent values the 20-of-25-year Section 147 holiday combined with 9% MAT.
- When the parent's regional architecture is centred on the Indo-Pacific and SAARC corridors, where Singapore / Hong Kong / Dubai are alternatives.



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