

Mr. K Rajaraman  
Chairperson  
International Financial Services Centres Authority  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, PRAGYA Tower, Block 15 Zone 1, Road 1C  
GIFT City  
Gandhinagar, Gujarat  
India

Dear Mr. K. Rajaraman

**Exchange of Letters on Sharing Regulatory Knowledge and Best Practices between the Financial Conduct Authority, United Kingdom and the International Financial Services Centres Authority, India.**

The Financial Conduct Authority (FCA) and the International Financial Services Centres Authority (IFSCA) (both hereinafter referred to jointly as “Authorities” and each as an “Authority”) have been in discussions about the possibility of strengthening the links between the Authorities and supporting the development and regulation of financial services, financial products and financial institutions within their respective markets.

This letter is to set out our mutual intention to cooperate in relation to the sharing of regulatory knowledge and best practices.

**Background**

The IFSCA has been established under the International Financial Services Centres Authority Act, 2019 (“IFSCA Act”) as a unified regulator of banking, insurance, capital market, pension fund and allied activities for the development and regulation of financial products, financial services and financial institutions in the IFSCs in India. The main functions of the IFSCA include registration, supervision and regulation of financial entities in the IFSCs in India.

The United Kingdom FCA was established under the Financial Services and Markets Act 2000 (“FSMA”) as an independent public body that acts as the conduct regulator for financial services firms and financial markets in the UK, and the prudential regulator for a proportion of those firms.

## **Definitions**

For the purpose of this letter:

- i. Authority means the IFSCA or the FCA, as the case may be;
- ii. IFSCA means the International Financial Services Centres Authority;
- iii. FCA means the UK Financial Conduct Authority.

## **General Principles**

This letter sets out a statement of intent of the Authorities to share knowledge and best practices in relation to regulatory approaches, based on principles of reciprocity and mutual understanding. The sharing of entity-specific confidential information is not envisaged as coming within the scope of this document.

The Authorities' information-sharing will be subject to the domestic laws and regulations of each Authority and this letter will not modify or supersede any laws or regulatory requirements in force in, or applying in or to, India or the United Kingdom. This letter sets forth a statement of intent and accordingly does not create any enforceable rights and is not legally binding.

## **Scope**

The Authorities agree to exchange information on regulatory developments and best practices to support the development of financial services in their respective jurisdictions and to promote greater links between GIFT City and the UK financial services ecosystem.

Upon request, the Authorities intend to share information about financial services developments in their respective markets, where appropriate. This may include, but is not limited to:

- A. Exchanging information about the development of regulation for financial products, financial services and financial institutions in their respective jurisdictions.
- B. Exchanging information about developments in their regulatory and supervisory frameworks and ongoing policy or regulatory initiatives in their jurisdiction within their respective remits where appropriate, including sharing of best practices.
- C. Mutual cooperation on Sustainable Finance, including Transition Finance, through the UK-India Sustainable Finance Forum and bilaterally as needed.
- D. Mutual cooperation on FinTech, through their respective memberships of the Global Financial Innovation Network, UK-India FinTech Joint Working Group and bilaterally as needed, sharing information about development and application of technologies, innovations and RegTech/ SupTech in financial markets.

- E. Mutual cooperation to support the development of capital markets, asset management and wholesale banking in both jurisdictions.
- F. Mutual exchange of information on important events relating to financial services in the respective jurisdictions.
- G. Supporting seminars and conferences on specific areas for enhancing the development of both jurisdictions.
- H. Assistance in welcoming delegations from the Authorities from respective jurisdictions.
- I. Facilitating the secondment or exchange of staff, to provide technical assistance, opportunities for learning and strengthening cooperation between the Authorities, to the extent that they meet shared objectives and resources allow.
- J. Any other matter agreed upon between the Authorities from time to time.

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### **Confidentiality**

The Authorities shall treat all information exchanged as confidential, including requests and responses. Each Authority shall protect the other Authority's information in a similar manner as it would protect its own in accordance with the applicable laws and regulations, with the exception of information that was already in the public domain at the time of its disclosure.

### **Modifications**

The Authorities may jointly agree to modifications in writing to the arrangements proposed in this letter.

### **Duration**

The cooperation under this letter will commence on the undersigned date set out below. The arrangements set out in this letter may be terminated by either of the Authorities by giving, at least, thirty days prior written notice to the other Authority, save that the arrangements in this letter relating to confidentiality shall survive termination.

I believe that sharing knowledge and best practices in the ways envisaged in this letter will lead to a mutually beneficial relationship between the Authorities.

Yours sincerely

The Financial Conduct Authority

By \_\_\_\_\_

Dated: \_\_\_\_\_

Nikhil Rathi  
Chief Executive Officer  
Financial Conduct Authority