



# IFSC IN MUMBAI

ADVANTAGES, CHALLENGES AND  
OPPORTUNITIES

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# THE CONCEPT

## IFSC

It is a jurisdiction that provides financial services to non-residents and residents in any international currency, except for domestic currency

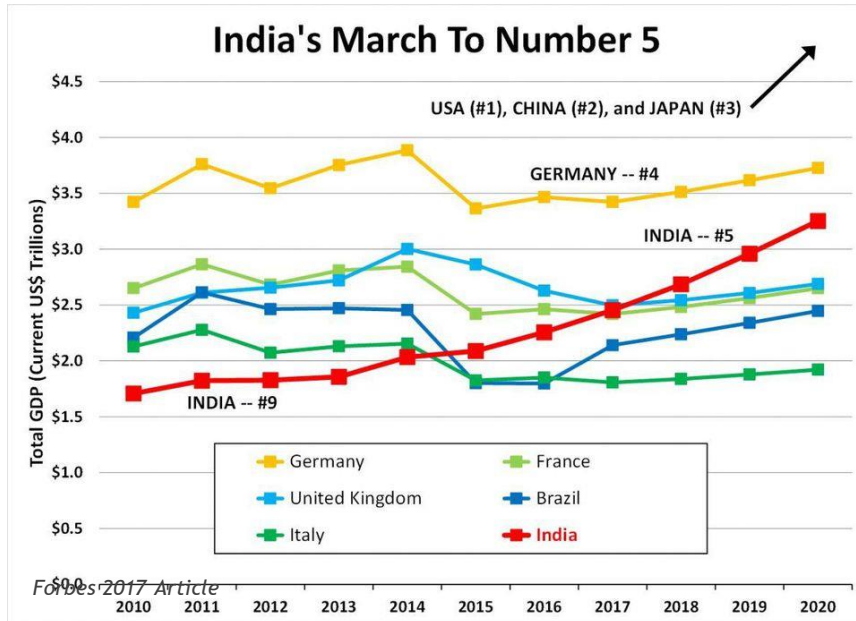
An international financial services centre caters to customers outside the jurisdiction of domestic economy, dealing with flows of finance, financial products and services across border



*Quotes from public domain searches*

# IFSC

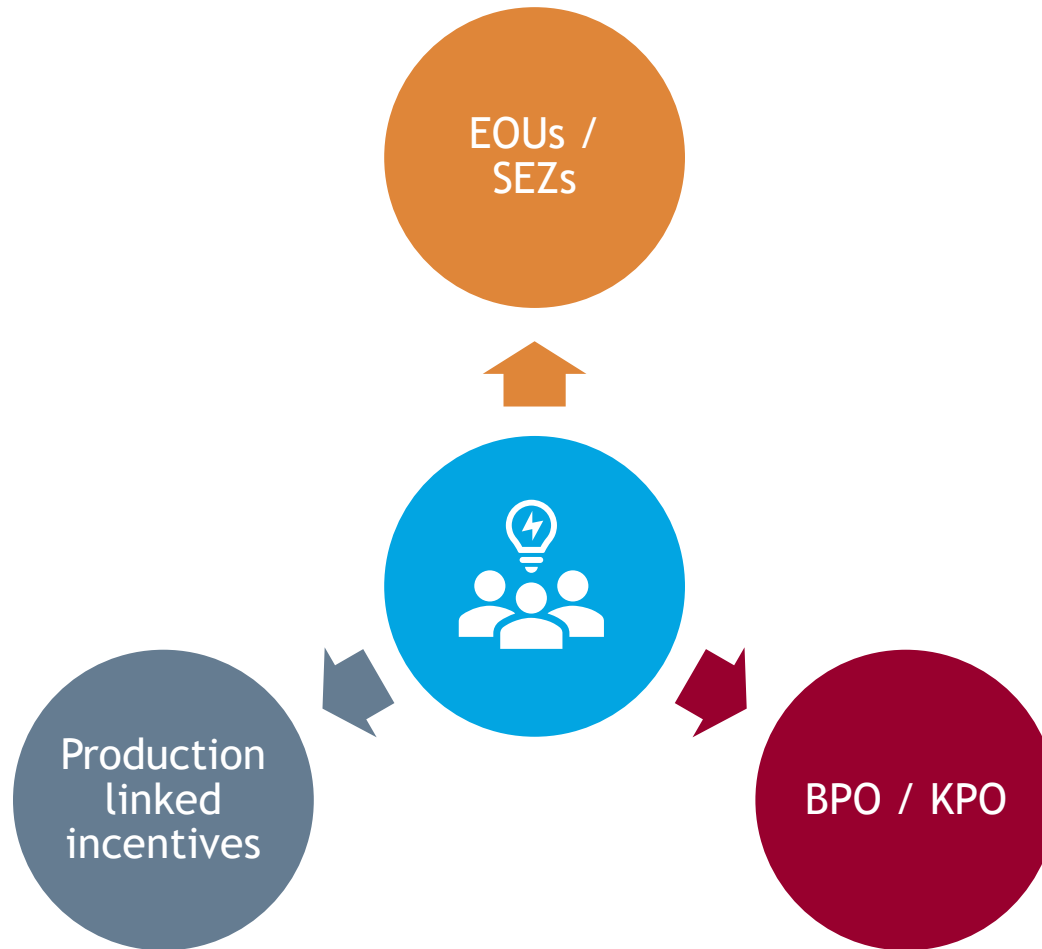
## SIGNIFICANCE



- ▶ India on track to cross some of the major GDP players in
- ▶ India's GDP was reported at USD 2602 Bn in Dec 2018 (forbes)

- ▶ AI and Financial services are the next outperforming and growing global markets for the 2030 decade

# IS INDIA “ONSHORING THE OFFSHORE” ?



# WAS INDIA SUCCESSFUL IN BRINGING GLOBAL BPO / KPO INDUSTRY TO INDIA ?

- ▶ Success stories of the SEZ / BPO / KPO model

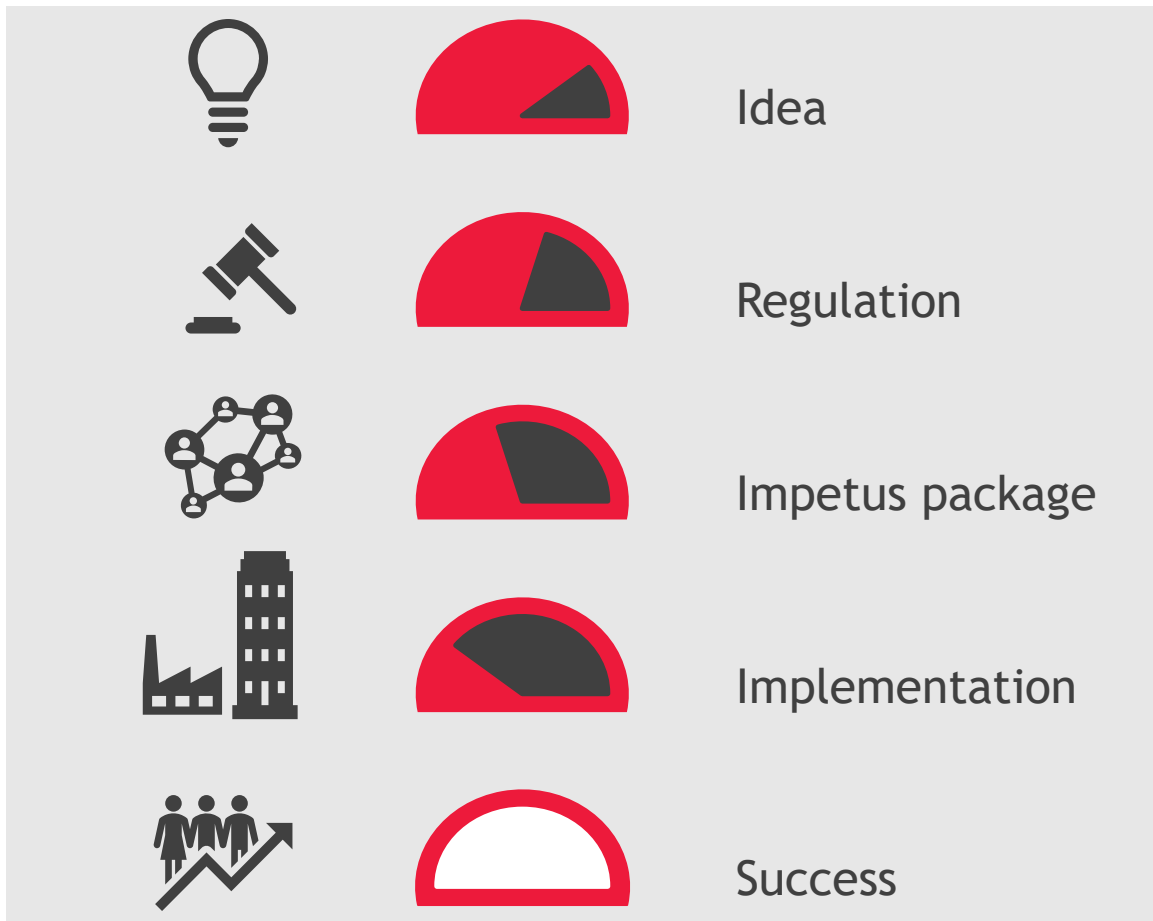
“  
India has been ranked as the world's biggest outsourcing destination in terms of financial attractiveness and business environment.”

A T Kearney's 2016 Global Services Location Index (GSLI)



*Quotes from public domain searches*

# WHAT WAS THE COUNTRY'S MODEL OF SUCCESS ?





# WHAT IS SPECIAL ABOUT IFSC ?

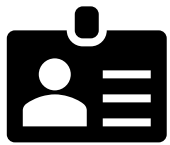
- ▶ Why can't we simply upgrade from KPO to IFSC ?
- ▶ Why can't we use the same SEZs for providing services to IFSC players ?
- ▶ What is the difference ?



# WHAT IS SPECIAL ABOUT IFSC ?

Customer

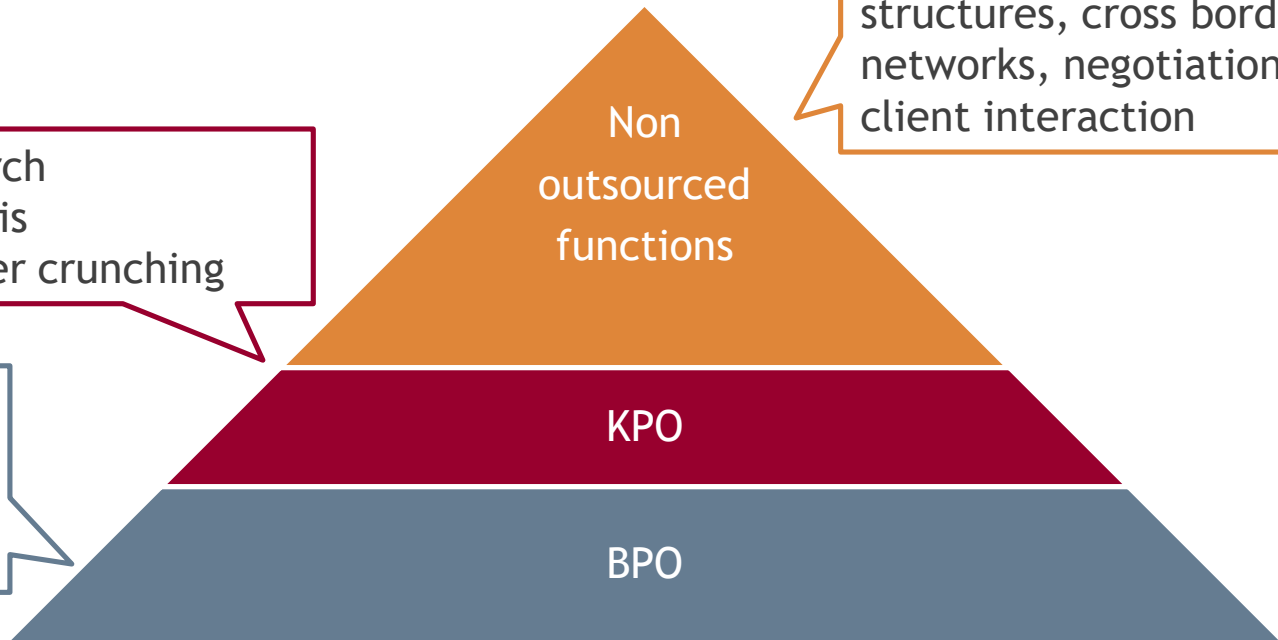
Service provider



Designing financial instruments, finance structures, cross border networks, negotiations, client interaction

Research  
Analysis  
Number crunching

Low value, low skill oriented coding, repeated tasks





# IS THERE A RACE OR WE ARE A NATURAL CHOICE ?

## Leaders

- London
- New York
- Singapore

## Upcoming

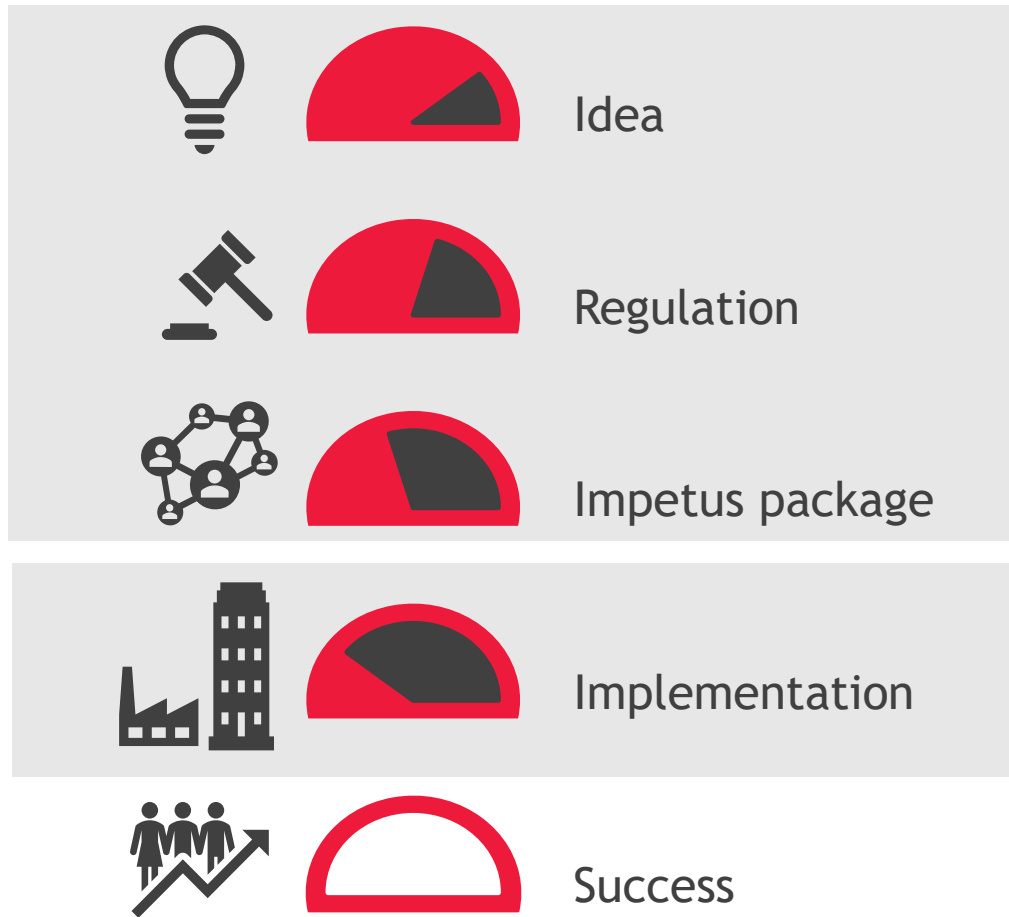
- Dubai
- Shanghai

## Trailing

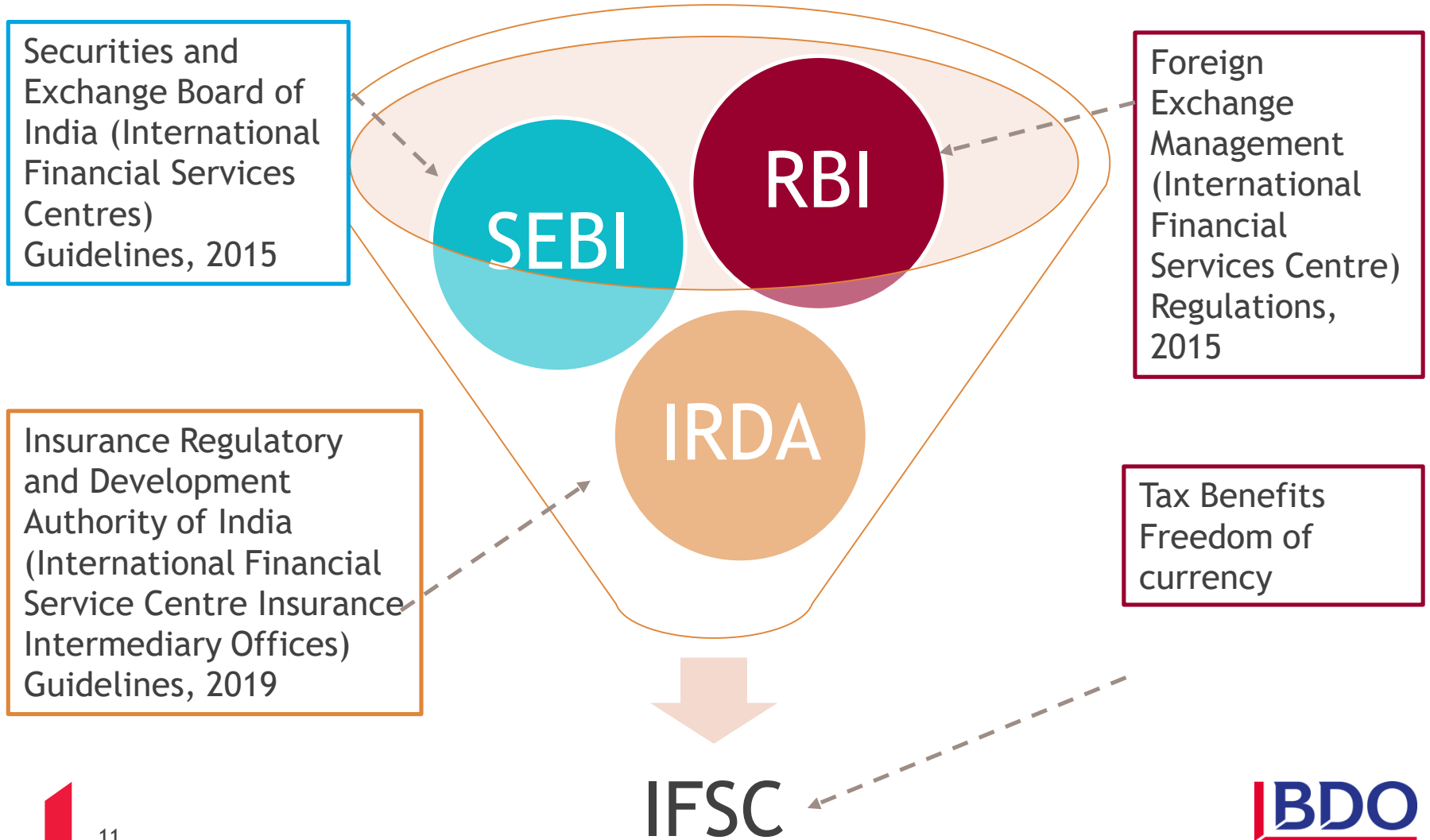
- Paris
- Frankfurt
- Tokyo

*From report submitted to Ministry of Finance on IFSC*

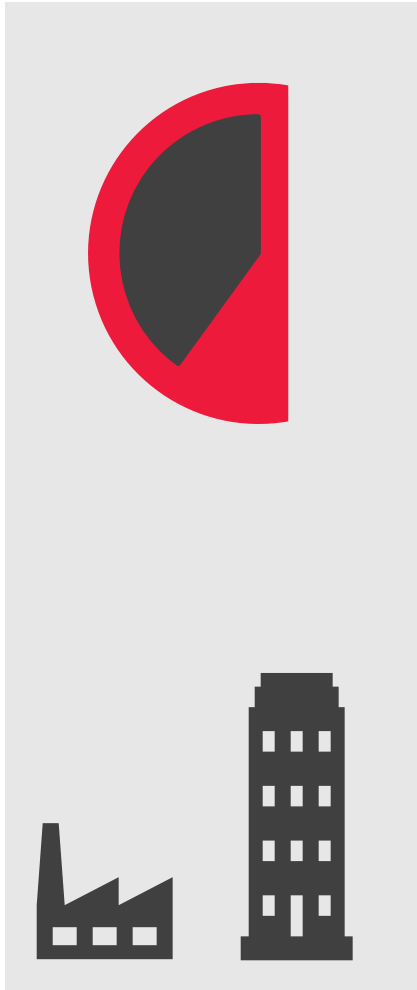
# WHERE ARE WE ?



# IDEA, REGULATIONS AND IMPETUS - DONE



# WHERE ARE WE ON IMPLEMENTATION ?



- ▶ Only 1 IFSC operational in the country - GIFT
- ▶ Location for IFSC in Mumbai is “ON HOLD”
  - BKC OR Navi Mumbai ?

# WHY MUMBAI ?

## Mobilization of Funds

Mumbai accounts for a significant share in deposits mobilization i.e INR 2,547,593.76 crore.

## Presence of sophisticated Transportation

Mumbai's public transport consists primarily of rapid transit on exclusive suburban railway lines augmented by commuter rail on main lines serving outlying suburbs, including connective highways to major cities

## Banking sector's transactions

In terms of banking sector's transactions in clearance of cheques, Mumbai's share is as much as three-fourths of the total clearances.



# WHY MUMBAI ?

## Financial Markets Players

The presence of a large number of financial markets players such as foreign institutional investors (FIIs), term lending institutions, merchant bankers, broking houses and so on, makes Mumbai a favorable place for an IFC.

## Presence of Professionals

Mumbai accounts for highest number of professional including specialization in quantitative finance.

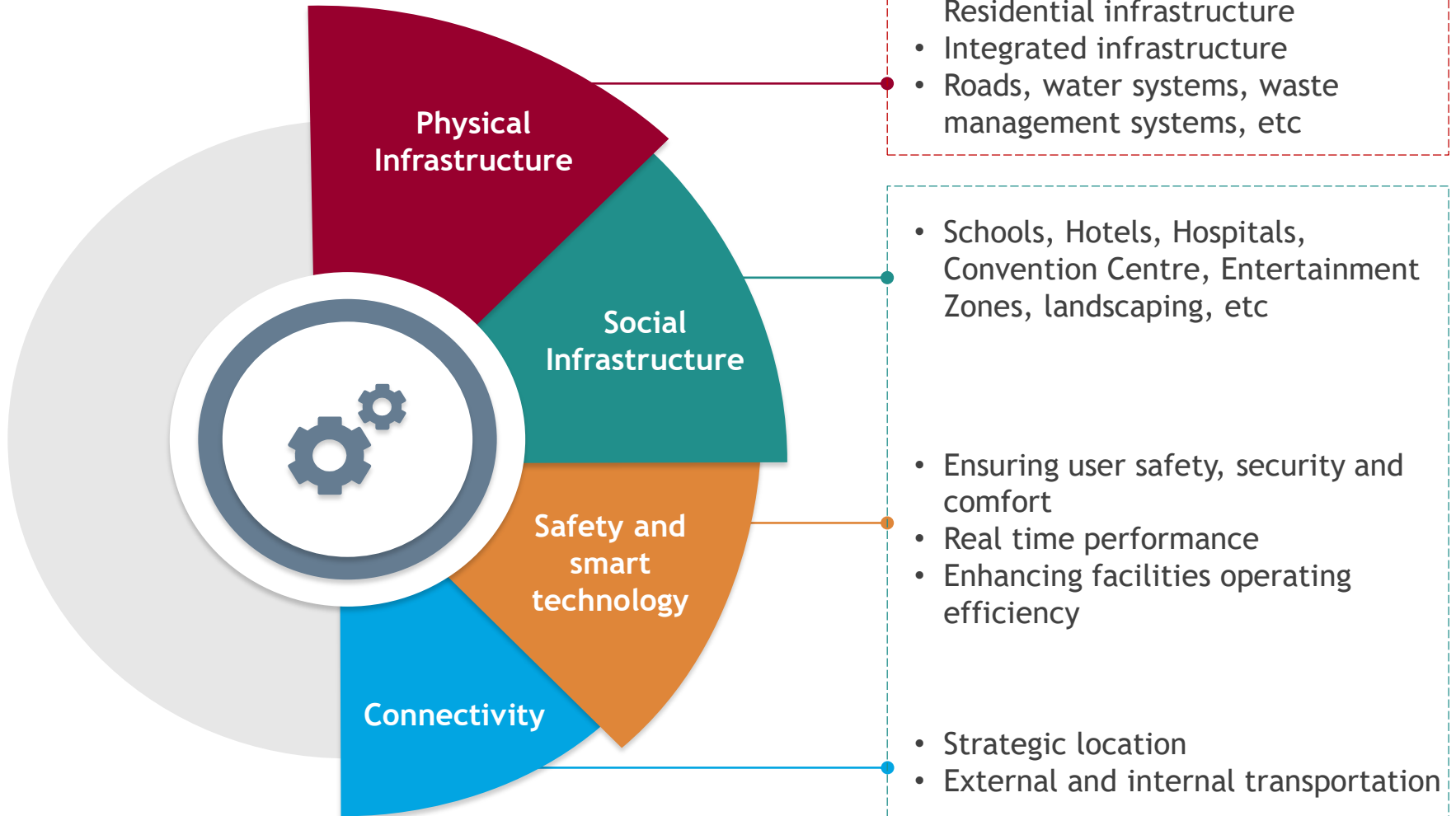
## Presence of Regulatory Agencies

The headquarters of a large number of regulatory agencies including the RBI, SEBI, NSE , BSE are located in the city





# WHAT DOES AN IFSC NEED ?



# PHYSICAL INFRASTRUCTURE



▶ London



▶ New York

# PHYSICAL INFRASTRUCTURE



▶ Dubai - DIFC

▶ Singapore - MBFC



# PHYSICAL INFRASTRUCTURE



► Shanghai



# PHYSICAL INFRASTRUCTURE



▶ GIFT City

# PHYSICAL INFRASTRUCTURE



► BKC





# WHAT WILL AN IFSC IN MUMBAI POSSIBLY ACHIEVE ?

## ▶ Making India an “International Financial Services Hub”

- Mumbai is already viewed as financial capital of India
- First target must be Asian Market
- Next target to be the Global Markets



# WHAT WILL AN IFSC IN MUMBAI POSSIBLY ACHIEVE ?

- ▶ Unlocking the true potential of the city
  - City already harnesses presence of many of the largest and most imminent financial intermediaries of the country  
(Banks, Investment Managers, Insurance companies, Wealth Managers)



# WHAT WILL AN IFSC IN MUMBAI POSSIBLY ACHIEVE ?

- ▶ Making Mumbai one step closer to becoming a true “Global City”
  - Hub for “international business”
  - Prime exporter of Financial Services in India
  - Upbringing of the nearby cities (Pune, Nagpur, Nashik)
  - Emerging as a MEGA City

*Global City - public domain research articles*



# WAY FORWARD

- ▶ Implementation needs to be pushed up because it takes times to bring up a **WORLD CLASS INFRASTRUCUTRE**
- ▶ Time is the essential factor
  - Finance is “mobile” and will move out if we are not ready
  - Competing countries are already invested
  - India is now becoming epicentre of almost all global reforms and changes
  - Opportunity is “Now”



**THANK YOU**

**BDO**

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