

**Headline:** NSE likely to start operations at GIFT City in second half of January

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GIFT City is pegged to be an international financial centre on the lines of those in London and Singapore. AFP

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MUMBAI

**N**ational Stock Exchange of India Ltd (NSE) will start operations in International Financial Services Centre (IFSC) or the Gujarat International Finance Tec- (GIFT) City in the second half of January, two people directly familiar with the developments said.

"The exchange has received approvals from Registrar of Companies (RoC) to set up NSE IFSC Ltd and NSE IFSC Clearing Corp. Ltd and is in process of applying to Securities and Exchange Board of

India (Sebi) for its approval," the first person said, requesting anonymity.

NSE IFSC and NSE IFSC Clearing Corp. would be 100% subsidiary of NSE.

In an emailed response, a spokesperson for NSE confirmed the developments.

"NSE IFSC Ltd will be the new international exchange at GIFT SEZ (Special Economic Zone) promoted by NSE while NSE IFSC Clearing Corp. Ltd will settle and clear trades etc. We will soon apply to Sebi," said NSE in the emailed response.

Exchanges that plan to operate in GIFT city have to set up a company and get regulatory nod to comply with

rules. "The application to Sebi would be sent next week. Simultaneously, we are applying to the development commissioner," said the second person.

"NSE is waiting for a final allotment letter for allocation of space from GIFT in the SEZ for carrying out the operations. As a temporary arrangement NSE has taken space in GIFT business centre," the second person added.

NSE's offering for GIFT could include 10-12 products such as equity derivatives, commodity derivatives and currency trades, according to the two people cited above.

On 29 November, Sebi had allowed exchanges to launch

all exchange-traded products that are currently allowed in a recognized jurisdiction barring agricultural derivatives.

Sebi has also accorded exchanges freedom to select trading hours for different product categories. Exchanges at IFSC are required to evolve a detailed framework for the applicable position limits for each product to be traded.

"Details including product specifications are subject to regulator's nod," said a NSE spokesperson in an emailed response. GIFT is pegged to be an international financial centre on the lines of London and Singapore. It allows companies incorporated outside India to raise money in foreign

currencies by selling and listing their shares on stock exchanges.

BSE's initial public offering prospectus also talked about setting up a unit in GIFT.

GIFT was awarded tax incentives, in the previous budget including lower minimum alternate tax rate at 9% as against the prevailing 18.5% to enable it to compete with Dubai and Singapore market.

Trading on stock exchanges situated in the financial hub in securities and commodity derivatives contracts won't be subjected to a levy of securities transaction tax, taxes that are levied on buying and selling of securities.