IFSCA TAS (Tech Fin and Ancillary Services) Regulations, 2025

The answers below reflect the TAS Regulations, IFSCA's FAQ circular of December 10, 2025, and the regulatory position as of July 2026. They are intended as a general practical guide and do not cover the Trust and Company Services Provider (TCSP) framework introduced by the May 2026 amendment, which will be addressed separately. This document is for general informational purposes and does not constitute legal or regulatory advice; entities should seek specific guidance for their own facts and circumstances.

A. What TAS Is & Who It Covers

What are the TAS Regulations, and why did IFSCA introduce them?

The TAS Regulations, notified on July 8, 2025, replaced two older, separate circulars — one for Ancillary Service Providers (2021) and one for FinTech/TechFin entities (2022) — with a single, consolidated framework. The objective is to regulate any entity that helps other financial businesses in GIFT-IFSC operate, either through technology (TechFin) or through professional support functions (Ancillary Services), rather than delivering the core regulated financial service itself.

What is the practical difference between a "TechFin" service and an "Ancillary" service under these regulations?

TechFin covers technology-driven solutions — think AI tools, cybersecurity, RegTech, SupTech, fund administration software, and legal-tech — that aid financial services. Ancillary Services are professional support services in the traditional sense: advisory, back-office, HR, or process support that a regulated financial entity would otherwise have to build in-house. The regulation lists 24 permitted TechFin services (Second Schedule) and 28 permitted Ancillary services (First Schedule), so the first practical step for any prospective applicant is checking whether their actual service line appears on one of these two lists, not assuming it fits.

My business supports a financial company but isn't a financial company itself. Do I automatically fall under TAS?

Not automatically. The service must have a "close connection" with one of the eleven financial services categories listed under Section 3(1)(e) of the IFSCA Act, 2019. A generic IT company or a facilities firm serving an IFSC client doesn't qualify simply because its customer happens to be IFSC-regulated — the nature of the service itself must be on the permitted list.

What services are explicitly not allowed to be offered under TAS registration?

The Third Schedule carves out a fairly wide exclusion list: core activities that an entity's home regulator doesn't permit to be outsourced at all; any activity already regulated under a separate IFSCA framework (so TAS cannot be used as a backdoor into a different license); facility-management-type services (building maintenance, security, housekeeping, civil/mechanical/electrical/plumbing work); transport, logistics, construction, or physical asset management; and, as a catch-all, anything IFSCA does not consider to genuinely constitute "making arrangements" for a financial service. This last point matters — IFSCA retains discretion, so a service that looks eligible on paper can still be questioned at the application stage.

Can an entity offer both TechFin and Ancillary services under one registration?

Yes — a single TAS registration can cover both categories, provided each specific service offered is drawn from the permitted lists in the First and Second Schedules. There is no requirement to pick only one track.

B. Eligibility & Legal Form

What legal forms are eligible to apply for TAS registration?

Companies, LLPs, branches of entities already incorporated outside the IFSC, and — notably — registered partnership firms that meet prescribed professional criteria are all eligible routes. This is broader than some other IFSCA frameworks, which typically restrict eligibility to companies or LLPs only.

Is there a minimum net worth or capital requirement to register as a TAS provider?

Unlike capital-market or fund-management frameworks, the TAS Regulations do not prescribe a headline net worth threshold in the base regulation. The emphasis is instead on fit-and-proper standing, governance, and having adequate manpower and infrastructure to deliver the specific service — not a fixed capital floor. This is worth double-checking against the fee schedule and any category-specific conditions IFSCA may impose at the application stage, since practice can be more conservative than the bare text.

Can a promoter or director based in a country with weak AML controls still obtain TAS registration?

No. Both the applicant entity and, by extension, its promoters and controlling stakeholders need to clear the FATF high-risk jurisdiction filter. An entity connected to a jurisdiction on the FATF "call for action" list is disqualified from this framework entirely, not merely restricted in scope.

C. Registration Process

What is the actual step-by-step process to register as a TAS provider?

Applications go through IFSCA's Single Window IT System (SWIT), in the prescribed format (Annexure-I) along with the applicable fee (Annexure-II). IFSCA reviews the application and grants in-principle approval first — the Certificate of Registration (CoR) is not issued immediately. The applicant must then satisfy certain conditions (infrastructure, key personnel appointment, etc.) within a defined window before the CoR is released.

How long does an applicant have to convert in-principle approval into a full Certificate of Registration?

180 days from the date of in-principle approval, as clarified in IFSCA's December 2025 FAQ circular. If the conditions are not met within that window, the in-principle approval risks lapsing, so this timeline needs to be tracked as tightly as the application itself.

What happens if an applicant's TAS application is incomplete?

IFSCA can reject applications that are not complete in all respects — there is no automatic "resubmit and continue" pathway built into the regulation. Practically, this means front-loading document readiness (constitutional documents, PO/CO appointment letters, fee proof) rather than treating the SWIT filing as a draft that can be patched after submission.

D. Migration for Existing Ancillary/TechFin Providers

We were already operating as an Ancillary Service Provider under the old 2021 circular. Do we need to reapply from scratch?

You need to migrate, not necessarily reapply from a blank slate. Entities already authorized under the June 2021 Ancillary Services circular or the April 2022 TechFin circular can continue operating under their existing authorization for a transition period, but they must obtain a fresh CoR under the TAS Regulations — either within 12 months of the regulations coming into force, or when the CoR is granted, whichever comes first.

What happens if we miss the 12-month migration deadline?

The prior authorization lapses. There is no automatic extension built into the base regulation — continuing to operate on an expired authorization would put the entity outside the regulatory perimeter altogether, which has obvious downstream consequences for banking relationships, client contracts, and any other IFSCA registrations that reference the TAS authorization.

We already paid fees under the old Ancillary Services or TechFin framework. Do we pay again under TAS?

No — where fees were already paid under the earlier framework, they are carried forward and not charged again for the equivalent migration filing.

What about entities that were in an IFSCA regulatory sandbox for FinTech before TAS came into force?

Sandbox entities have a separate migration pathway under the TAS framework, distinct from the standard Ancillary/TechFin migration route. This is one of the areas specifically flagged in IFSCA's December 2025 FAQ circular, and sandbox entities should not assume the standard 12-month migration timeline applies to them without checking the specific conditions attached to their sandbox approval.

E. Fit & Proper Requirements

Who exactly needs to meet the "fit and proper" test — just the company, or individuals too?

Both. The entity itself, and individually its Principal Officer, Compliance Officer, directors, partners, designated partners, and controlling shareholders, all need to satisfy fit-and-proper criteria. This is not a one-time check either — IFSCA can revisit fit-and-proper standing if new adverse information comes to light after registration.

What kind of past conduct could disqualify a director or controlling shareholder?

While the regulation does not publish an exhaustive list, the standard IFSCA fit-and-proper lens looks at prior regulatory action (suspension, cancellation, or penalty by any financial regulator), conviction for economic offences, and any finding of fraud or lack of integrity. A pending investigation does not automatically disqualify an applicant, but it is disclosable, and IFSCA retains discretion on how to treat it.

F. Principal Officer & Compliance Officer

Is appointing a Principal Officer and Compliance Officer always mandatory?

Yes, for most TAS providers — but IFSCA's FAQ circular clarifies a specific carve-out for providers that serve only their own group entities (i.e., a captive TAS unit set up purely to service its own corporate group rather than external clients). Even then, the exemption is not automatic — it needs to be checked against the entity's actual service profile.

Do the Principal Officer and Compliance Officer need to be physically based in the IFSC?

Yes — IFSC residency for both roles is a hard requirement under the regulation, not a preference. A PO or CO operating remotely from outside the IFSC does not satisfy this condition, which is a common point of friction for foreign-parented applicants who want to run compliance out of a head-office location.

Can one person hold both the Principal Officer and Compliance Officer roles?

The regulation does not explicitly bar dual-hatting for smaller entities, but IFSCA's broader governance expectations — and the practical conflict of a PO overseeing their own compliance function — mean this is generally discouraged and should be assessed case by case rather than assumed to be acceptable by default.

G. Who a TAS Provider Can Serve

Can a TAS-registered entity serve Indian residents, or only non-residents?

The default position is that TAS providers must serve non-residents — and specifically, non-residents that are not connected to an FATF high-risk jurisdiction. There is a limited carve-out allowing services to Indian residents, but only for the specific purpose of that resident setting up an office within the IFSC; it is not a general license to serve the Indian domestic market.

If a client of ours, originally a non-resident, later shifts its structure and becomes India-connected, does that create a compliance issue?

Potentially, yes. Since the eligibility of the service recipient is a continuing condition rather than a point-in-time check at onboarding, a material change in the client's residency status or ownership structure should trigger a fresh look at whether the relationship still fits within the TAS framework's permitted client base.

Can a TAS provider serve another IFSCA-regulated intermediary rather than the end client directly?

Yes — the regulation explicitly contemplates delivery of services either directly to a "Service Recipient" or indirectly through an "Intermediary," so a layered service model (TAS provider → intermediary → end financial services client) is within scope, provided the ultimate recipient still meets the non-resident/FATF conditions.

H. Currency, Accounts & Reporting

What currency should a TAS provider actually transact and report in?

Operations are meant to be conducted in Specified Foreign Currency. There is a specific carve-out allowing an INR account for genuinely administrative or local expenses (payroll, rent, and similar), but this should not be read as permission to route client-facing transactions through INR, as that would undercut the entire foreign-currency design of the framework. Financial reporting to IFSCA is in USD regardless of which currencies the entity transacts in.

What are the ongoing reporting obligations once registered?

TAS providers are required to submit periodic reports to IFSCA, denominated in USD, alongside other regulatory reporting as may be specified by the Authority from time to time. Exact formats and frequency are typically detailed in circulars rather than the base regulation itself, so this is an area to actively track rather than assume is static.

I. Code of Conduct & Ongoing Obligations

What "material changes" is a TAS provider obligated to disclose to IFSCA after registration, and how quickly?

Any material change bearing on the registration — changes in shareholding, key personnel (especially PO/CO), business address, or scope of services — needs to be disclosed to IFSCA. Where the change relates to FATF-jurisdiction risk factors specifically, the disclosure window is tight, at 10 days, reflecting how central the FATF-clean-jurisdiction condition is to the entire framework.

Does the entity need a minimum level of manpower or physical infrastructure in the IFSC?

Yes, the entity is expected to maintain adequate manpower and infrastructure commensurate with the scale and nature of services actually being delivered. This is assessed as part of the conditions attached to in-principle approval and can be revisited during inspection, not just checked once at entry.

J. Enforcement, Inspection & Practical Edge Cases

What powers does IFSCA have to inspect or act against a TAS provider after registration?

Broad ones — IFSCA can call for information, conduct inspections, and take enforcement action in cases of default, in addition to a general power to relax strict enforcement or remove difficulties where it considers appropriate. This cuts both ways: it gives IFSCA flexibility to accommodate genuine practical difficulty, but it also means outcomes on edge cases are not always fully predictable from the bare text of the regulation.

If we're not sure whether our specific service qualifies under the First or Second Schedule, is there a formal way to check before applying?

Yes — IFSCA's Informal Guidance Scheme is available for exactly this kind of interpretive question, and IFSCA's Financial Sector Standard Regulatory Division (FSSRD) can also be approached for clarification. Filing a formal application without first testing an ambiguous scope question is generally the riskier path, given that incomplete or clearly out-of-scope applications can be rejected outright.

What happens to circulars and authorizations issued under the old Ancillary Services and TechFin frameworks once TAS is fully in force?

The old circulars stand repealed 24 months after TAS commencement. However, actions already taken and authorizations already granted under those older frameworks remain valid and are not wiped out retroactively — the repeal affects the forward-looking legal basis, not past, validly completed steps.

Realistically, what is the single most common reason TAS applications get delayed rather than rejected outright?

In practice, it tends to be procedural rather than substantive — SWIT portal issues (DSC mapping, document format mismatches), incomplete PO/CO appointment documentation at the time of filing, or ambiguity over which Schedule item the applicant's service should be classified under. Very few genuinely eligible applicants are rejected on merits; most delays are administrative and avoidable with better front-loading of documentation.

Closing Note

The TAS framework is still relatively new, and IFSCA continues to issue clarifications as applicants encounter real-world edge cases — particularly around Schedule classification, migration timelines, and the fit-and-proper assessment of promoters and key personnel. Entities evaluating a TAS application, or migrating from the earlier Ancillary Services or TechFin circulars, are encouraged to front-load documentation, confirm Schedule classification early (using the Informal Guidance Scheme where genuinely ambiguous), and track deadlines — particularly the 180-day in-principle approval window and the 12-month migration cut-off — as closely as the application itself.

For queries specific to your facts and circumstances, please reach out PKM Advisory Services LLP.