



CIRCULAR

F. No. IFSCA-IF-10PR/1/2023-Capital Markets/2

February 16, 2024

To,

All Fund Management Entities in International Financial Services Centres (IFSCs)

Dear Sir / Madam,

Sub: Maintenance of net worth by Fund Management Entity

1. Reference is drawn to regulation 8 of the IFSCA (Fund Management) Regulations, 2022 ('Fund Management Regulations'), which mandates the Fund Management Entity (FME) to maintain the specified net worth at all times.
2. Without prejudice to IFSCA's power to take action for non-compliance with the aforesaid regulation, in case the net worth of any FME falls below the specified net worth, such FME shall not–
 - i. launch new schemes in IFSC;
 - ii. onboard new clients towards any of the activities or undertake new business activities permitted under the Fund Management Regulations;till the time the net-worth is restored.
3. This circular is issued in exercise of the powers conferred under sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, read with regulation 146 of the Fund Management Regulations, and shall come into force with immediate effect.

A copy of this circular is available on the website of International Financial Services Centres Authority at www.ifsc.gov.in.

Yours faithfully

Sd/-

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