



FROM THE DESK OF DR. ADITYA VIJAY KASHYAP

# GIFT AIF vs. Domestic AIF:

## A Strategic Guide for Fund Managers

### 1. Governing Regulator & Regulations

**GIFT AIF:** Regulated by the International Financial Services Centres Authority (IFSCA).

**Domestic AIF:** Regulated by Securities and Exchange Board of India (SEBI).

### 2. Minimum Corpus & Investor Ticket Size

**GIFT:** Minimum corpus - USD 3 million; minimum investment per investor - USD 150,000

**Domestic:** Minimum corpus ₹20 crore; minimum investment per investor - ₹1 crore.

### 3. Platform Play (Third-Party Fund Management)

**GIFT:** IFSCA permits Third-Party Fund Management - enabling global managers to "plug & play" via a licensed Fund Management Entity (FME).

**Domestic:** SEBI does not currently allow an equivalent platform model.

### 4. Currency & Capital

**GIFT AIFs:** Operate in freely convertible foreign currency (USD); transactions between GIFT and offshore are not considered cross border under FEMA. **Domestic:** SEBI does not currently allow an equivalent platform model.

### 5. Investor Base

**GIFT AIFs:** Optimized for foreign investors seeking Indian exposure or Indian investors seeking offshore diversification.

**Domestic:** Primarily suited for India-resident capital with domestic investment mandates.

### 7. Tax Regime

**GIFT:** 100% tax exemption for 10 consecutive years out of the first 15 years.

**Domestic:** Subject to standard domestic tax laws.