

Listing of Debt Securities in IFSC: Trends, Drivers & Market Growth

The IFSC at GIFT City is becoming an important platform for gaining access to global capital through listings of foreign currency bonds. Supported by a globally recognized regulatory framework under the IFSCA (Listing) Regulations, 2024, together with favorable tax conditions and ease of doing business, the IFSC is progressively establishing itself as a credible jurisdiction for cross-border debt listings. This article examines the regulatory framework, market dynamics, and main factors driving the expansion of the bond ecosystem in the IFSC.



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INTRODUCTION

India's aspiration to become a developed economy depends on building strong, diversified, and resilient financial markets capable of mobilising capital efficiently and at scale. As noted in the NITI Aayog report on *Deepening the Corporate Bond Market in India*, the country's corporate bond market, at around 16% of GDP, remains modest compared to developed economies, indicating significant untapped potential for mobilising long-term capital. With rising infrastructure and industrial investment needs, and the limitations of bank-led financing, a well-developed bond market offers an important alternative funding avenue and broadens access to a wider investor base.

In this context, the IFSC at GIFT City is emerging as a key platform for facilitating access to global capital through foreign currency bond listings. Backed by a globally benchmarked regulatory framework under the IFSCA

(Listing) Regulations, 2024, along with tax efficiency and ease of doing business, the IFSC is steadily developing into a credible jurisdiction for cross-border debt listings. This article explores the regulatory architecture, market trends, and key drivers contributing to the growth of the bond ecosystem in the IFSC.

REGULATORY FRAMEWORK

The IFSCA (Listing) Regulations, 2024 ("Listing Regulations") were notified in August 2024 replacing the IFSCA (Issuance and Listing of Securities) Regulations, 2021. The Listing Regulations *inter alia* provide the regulatory framework for listing of corporate bonds on the stock exchanges in the IFSC, in line with global best practices. The salient features of the Listing Regulations with respect to debt securities are as under:

1) Issuer



Issuers based in domestic India are also governed by the norms regarding External Commercial Borrowings ("ECB") prescribed under the Foreign Exchange Management Act, 1999 ("FEMA").

2) Depository

The debt securities listed on a recognised stock exchange shall be freely transferable and held with a depository:

- India International Depository IFSC Limited (“IIDI”); or
- Any international central securities depository (“ICSD”).

3) Listing Application

- The issuer shall file listing application with the stock exchange(s).
- The offer document / information memorandum shall contain all material disclosures which are true, correct and adequate to enable the investors to take an informed investment decision. The document shall contain issuer and issue related disclosures as specified in the Listing Regulations.

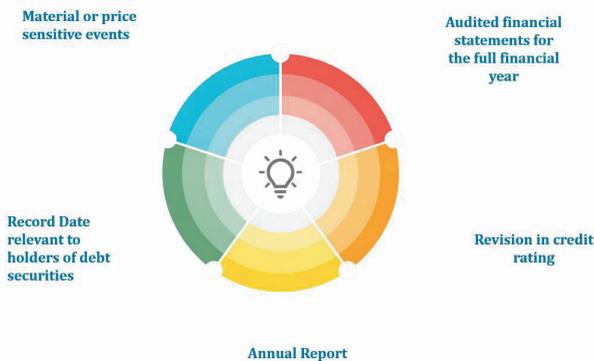
4) Credit Rating



Clarification issued by IFSCA to stock exchanges w.r.t. Secondary Listings:

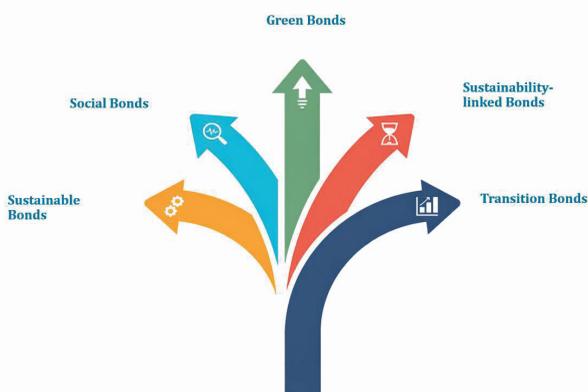
- The requirement to obtain credit rating specified under regulation 72 of the Listing Regulations shall apply on fresh issuance and listing of debt securities. However, where an issuer has already issued and listed debt securities on any stock exchange (IFSC or Foreign Jurisdiction) prior to October 01, 2024 with or without rating, the issuer may list such securities as secondary listing on a recognised stock exchange in the IFSC.
- Similarly, where an issuer has already issued and listed debt securities on any stock exchange (IFSC or Foreign Jurisdiction) between October 01, 2024 till March 31, 2025, with rating by any credit rating agency (registered with IFSCA or with a regulator in a Foreign Jurisdiction), the issuer may list such securities as secondary listing on a recognised stock exchange in the IFSC.

5) Post Listing Disclosures



A. ESG Labelled Debt Securities

IFSCA recognizes the pivotal role of ESG labelled debt securities in financing sustainable development and transition to a low-carbon economy. In line with this, a regulatory framework, aligned with global best practices, for green, social, sustainable and sustainability-linked bonds was initially brought in by IFSCA as part of IFSCA (Issuance & Listing of Securities) Regulations, 2021 and subsequently subsumed in the IFSCA (Listing) Regulations, 2024. As on December 2025, the GIFT-IFSC has witnessed the listing of approximately USD 16.18 Bn. ESG labelled debt securities, accounting for ~24% of the total debt securities listed, which stood at USD 68.03 Bn. This strong uptake underscores the impact of focused regulatory measures and growing investor confidence in India’s green and sustainable finance framework.

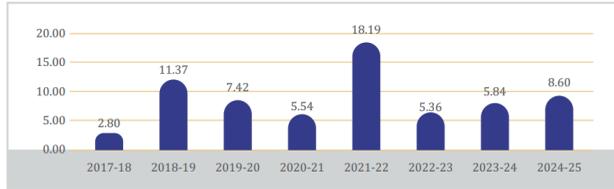


Framework for Transition Bonds

To enable issuers specifically from hard-to-abate sectors to raise capital and list their securities at IFSC, while committing to a credible transition plan and making enhanced disclosures to ensure interests of the investors are protected, IFSCA on July 29, 2025 has issued the Framework for Transition Bonds. The framework for transition bonds will enable issuers from hard-to-abate sectors to raise capital from global investors.

B. Market Trends

The stock exchanges in IFSC has emerged as a preferred destination for listing of foreign currency and masala bonds by Indian issuers.



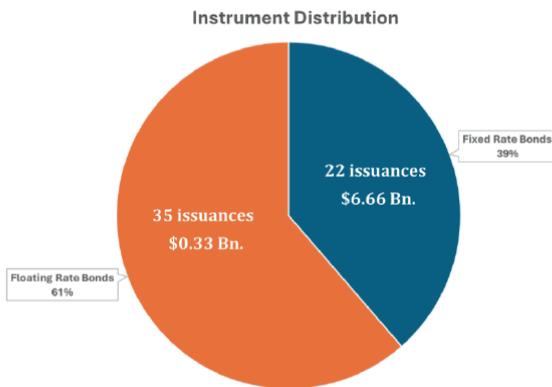
During FY 2024–25, debt securities amounting to USD 8.6 billion were listed on the stock exchanges in the IFSC, out of which:

- a) Bonds worth USD 6.99 billion were issued as well as listed in FY 2024–25.
- b) Bonds amounting to USD 1.61 billion were issued in previous financial years but were listed on the stock exchanges in the IFSC as secondary listings during FY 2024–25.

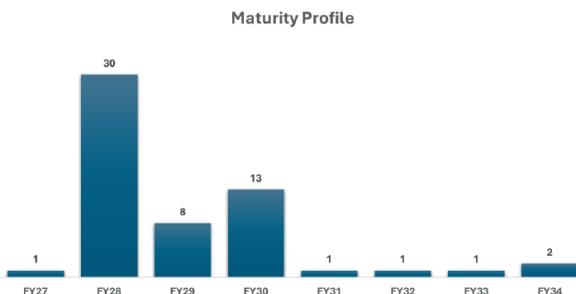
IFSCA has also released a detailed report titled “Debt Market at IFSC: Landscape & Trends 2024–25” providing an in-depth analysis of the bonds issued and listed on the stock exchanges in the IFSC during the year. The report can be accessed here.

The total primary debt issuance at IFSC was USD 6.99 Bn. across 57 listings during the financial year 2024-25. Some of the key trends from the report are as follows:

a) Instrument type (Floating vs. Fixed Rate)

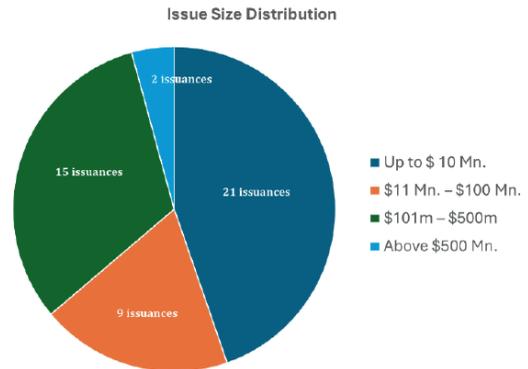


b) Maturity Profile



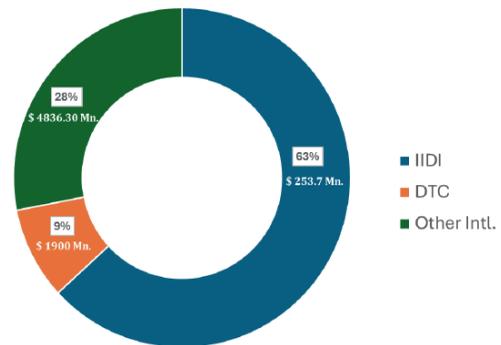
The IFSCA (Listing) Regulations, 2024, along with globally benchmarked standards, tax efficiency, and simplified processes, have positioned the IFSC as a competitive jurisdiction for listing of foreign currency bonds.

c) Issue size Distribution



d) Depository

- **India International Depository Limited (IIDL)** - 36 issuances (USD 253.7 Mn.)
- **The Depository Trust Company (DTC)** - 5 issuances (USD 1,900 Mn.)
- **Other ICSDs** (like Euroclear, Clearstream etc.) - 16 issuances (USD 4836.30 Mn.)

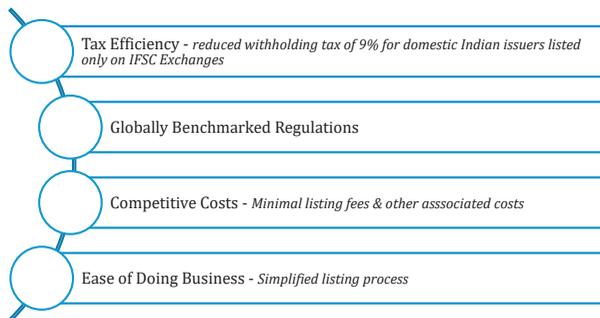


C. Debt Listings – Current Financial Year

In the current financial year (FY 2025–26), debt securities amounting to USD 2.92 billion have already been listed on the IFSC stock exchanges up to December 31, 2025, of which ESG-labelled debt securities account for USD 0.75 billion.

As on December 31, 2025, the cumulative total of all debt securities listed on the stock exchanges in the IFSC is USD 68.03 billion.

D. Drivers for listings in IFSC



The withholding tax on interest is **only 9%** for a domestic Indian issuer if the bonds are exclusively listed on the stock exchanges in the IFSC

The withholding tax on interest is **NIL** for an issuer incorporated within IFSC

E. Listing without Admission to Trading - Only foreign issuers

The exchanges, with the approval of IFSCA, issued the framework for permitting listing of debt securities without admission to trading. The purpose of this framework is to enable foreign issuers to do secondary listing on the exchanges in the IFSC for the purpose of wider visibility with no facility to trade.

During current financial year (2025-26), DFCC Bank PLC from Sri Lanka became the first foreign corporate issuer to list bonds on the stock exchanges in the IFSC. This listing is a defining milestone in the transition of IFSC from an India-centric offshore venue to an international marketplace for listing of bonds. This listing has opened doors for cross-border issuances from Asia, Africa, and other emerging markets.

F. Sovereign Ratings Upgrade and Economic Strength

CareEdge Global has rated India ‘**BBB+**’

In the last few months, India’s rating has been upgraded by other global rating agencies, including the following:

- a) S&P Global has upgraded India’s long-term sovereign rating to ‘**BBB**’ with a stable outlook.
- b) Rating and Investment Information, Inc. (R&I), Japan has upgraded India’s rating to ‘**BBB+**’
- c) Morningstar DBRS’ upgraded India’s rating to ‘**BBB**’

These credit rating upgrades reflect increasing global recognition for India’s robust and resilient macroeconomic fundamentals and prudent fiscal management, and underscore global confidence in India’s medium-term growth prospects amid prevailing global uncertainties.

Benefits of Rating Upgrades



G. RBI’s proposed ECB Reforms

The Reserve Bank of India (RBI) has released draft regulations to significantly overhaul the External Commercial Borrowing (ECB) framework that will ease borrowing in foreign currency by Indian issuers. The reforms by RBI are expected to provide a filip to more foreign currency bond issuances by Indian issuers and contribute towards more listing of bonds in the IFSC.

H. What’s next?

Key Priorities of IFSC in the coming years with respect to bond markets are:



CONCLUSION

The IFSCA (Listing) Regulations, 2024, along with globally benchmarked standards, tax efficiency, and simplified processes, have positioned the IFSC as a competitive jurisdiction for listing of foreign currency bonds. The growth in issuances, diversity of instruments including ESG-labelled bonds, participation of international depositories, and entry of foreign issuers reflect the steady development of the IFSC bond ecosystem. Supported by India’s recent sovereign rating upgrades and the RBI’s proposed ECB reforms, the IFSC is well placed to emerge as a preferred global venue for cross-border bond listings.

REFERENCE:

- i. *The authors undertake that the information in the article their own and not sourced from third parties.*

