

IFSCA Proposes the Integration of Regulated Entities with KYC Registration Agencies

The International Financial Services Centres Authority (**IFSCA**) has issued a consultation paper on June 26, 2026 (**Consultation Paper**) proposing that Regulated Entities in IFSC be required to integrate with IFSCA-registered KYC Registration Agencies (**KRA**). Public comments are invited up to 16 July 2026. The key proposals of this Consultation Paper are:

- All Regulated Entities operating in IFSC must integrate with at least one IFSCA-registered KRA for uploading, storing, retrieving and updating client KYC records. The proposal operationalises Regulation 25 of the IFSCA KRA Regulations, 2025 (**KRA Regulations**), which requires upload of KYC information to a KRA within 3 working days of completion of KYC.
- Regulated Entities must complete integration with at least one KRA within two months from the date of the final circular.
- For all clients onboarded on or after 1 September 2026, Regulated Entities must ensure KRA integration and upload of KYC details in accordance with the KRA Regulations. If the client's KYC already exists in the KRA system, the Regulated Entity must download, verify and update the information as necessary.
- KYC details of all active clients onboarded before 1 September 2026 must be uploaded to the KRA system by 30 October 2026.
- KRAs must assign a unique identification number to each client, which can be used by the client for onboarding and availing services across other IFSC Regulated Entities.
- The integration mandate will not apply to activities or entities exempted under clause 1.2.3 of the IFSCA AML/CFT/KYC Guidelines, 2022 (**IFSCA Master Guidelines**). As per the IFSCA Master Guidelines, the categories exempt under clause 1.2.3 are:
 - Global-in-House Centres registered under the IFSCA Global In-House Centres framework.
 - International Branch Campuses or Offshore Educational Centres of foreign universities or foreign educational institutions registered under the IFSCA framework for international branch campuses and offshore education centres.
 - Financial Crime Compliance Services Providers registered under the IFSCA framework for book-keeping, accounting, taxation and financial crime compliance services.
 - Financial Institutions providing services only to entities within their own financial group, where those group entities are located in a country not identified by FATF as a "high-risk jurisdiction subject to call for action."
- Market Infrastructure Institutions in IFSC must bring the circular to the notice of their members or participants and monitor compliance by them.

ELP Comments

- *In this context, "integrate" means that each IFSC Regulated Entity must establish an operational and technology connection with at least one IFSCA-registered KRA so that it can upload, store, retrieve, verify, update and migrate client KYC records through the KRA system. In practical terms, this would likely require the Regulated Entity to complete onboarding with a KRA, execute the required operational arrangements, configure API/system connectivity or other KRA-prescribed access channels, map its internal*

KYC data fields to the KRA format, test upload/download workflows, and put in place controls for data quality, updates, audit trails and access governance. The Consultation Paper uses “integration” functionally rather than as a defined technical term.

- The policy objective behind this proposal is to remove repeated KYC processes when a client accesses multiple IFSC financial services. This will make onboarding of clients faster and more efficient.
- A common KRA-based KYC repository will also reduce operational friction for banks, broker-dealers, fund managers, finance companies and other IFSC Regulated Entities, supporting IFSCA’s broader objective of making GIFT IFSC a more efficient international financial centre.
- The proposal moves IFSC entities towards a more uniform KYC architecture, with a single client identifier and shared KYC records across Regulated Entities. This can improve consistency, auditability and regulatory supervision.
- Regulated Entities will need to make technology, process and vendor-readiness changes quickly, including KRA connectivity, data migration, client record validation, controls for updates, and internal oversight mechanisms. The proposed timelines (two months for integration, 1 September 2026 for new clients, and 30 October 2026 for existing active clients) may be challenging given the scope of these changes.
- By requiring KYC upload, retrieval, updating and oversight through registered KRAs, the proposal should improve traceability and reduce gaps in client due diligence, while aligning with the IFSCA AML/CFT/KYC framework and the KRA Regulations, 2025.

We hope you have found this information useful. For any queries/clarifications, please write to us at insights@elp-in.com or write to our authors:

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