



CONSULTATION PAPER

Mapping of Services Accounting
Codes (SAC) and Introduction of
Foreign Currency Expense
Reporting for IFSC Units under
SERF and MPR

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International Financial Services Centres Authority (IFSCA)

Consultation Paper on Mapping of Services Accounting Codes (SAC) and Introduction of Foreign Currency Expense Reporting for IFSC Units under SERF and MPR

1. Preface

- 1.1 The International Financial Services Centres Authority (IFSCA) proposes to introduce a standardised approach for capturing value creation in foreign currency from and within the **International Financial Services Centre (IFSC) ecosystem**.
- 1.2 This exercise requires standardisation in foreign currency revenue reporting in the **Service Exports Reporting Form (SERF)** and introduction of foreign currency expense reporting in the **Monthly Performance Report (MPR)** through the **SEZ Online system**.
- 1.3 The IFSC units undertake a wide range of financial service activities, including banking, capital markets, fund management, insurance, financial leasing, bullion, TechFin and ancillary services. Accurate, consistent, and transparent reporting of such services, including appropriate service classification and relevant financial data, is important to ensure the reliability, comparability, and analytical usefulness of the reported information.
- 1.4 Based on supervisory experience, internal research studies and review of previous SERF & MPR filings, IFSCA has observed differences in service classification practices and in the scope of information reported across IFSC units and sectors. Such **differences**, including the absence of **systematic foreign currency expense reporting**, limit consistency, comparability, and analytical usefulness of data, including for estimation of value creation from the IFSC at sectoral and system-wide levels.
- 1.5 This Consultation Paper, therefore, sets out IFSCA's proposals to strengthen and standardise the SEZ reporting framework for IFSC units under SERF and the related MPR framework. The proposals cover:
 - (a) standardisation of **Service Accounting Codes (SAC)** for IFSC units for capturing revenue at the invoice level in **SERF**; and
 - (b) introduction of a **foreign currency expense reporting** field in the **MPR Form** to capture aggregate expenses incurred in foreign currency during the month.
- 1.6 This exercise will enable the IFSCA to estimate the IFSC's net foreign-currency value creation.
- 1.7 The proposals are intended to enhance clarity, reduce ambiguity, and facilitate consistent, accurate, and analytically useful reporting, including for sector-wise and system-wide assessment of services activity and value creation within the IFSC ecosystem.
- 1.8 IFSCA therefore invites comments from the IFSC units and other stakeholders on the proposal outlined in this paper.



2. Background and Rationale

2.1 The services rendered from the Special Economic Zones (SEZs), including IFSC, are reported through the Service Exports Reporting Form (SERF) on the SEZ Online system (copies of SERF Formats are attached at *Annexure A* for reference). SERF requires the SEZ units to classify revenue from services using **Service Accounting Codes (SAC)** notified under the Goods and Services Tax (GST) framework¹.

2.2 The IFSC units employ diverse business models and revenue structures, including fee-based, commission-based and margin-based income streams. In the absence of a standardised classification framework aligned to IFSC activities, similar services may be reported under different SAC codes by different units.

2.3 IFSCA's review of SERF filings has indicated instances of:

- (a) inconsistent use of SAC codes for similar financial services;
- (b) use of broad or residual SAC codes for multiple service types; and
- (c) reporting that does not clearly reflect the nature of the underlying service income.

2.4 Such inconsistencies may affect data quality, comparability, and ease of regulatory and policy analysis. In addition, the absence of consistent expense-side information limits the ability to assess net foreign currency value generated from services provided from and within the IFSC.

2.5 Recent Enhancement² in SERF Format:

As part of ongoing efforts to improve the granularity and relevance of service export reporting, the SEZ Online system, managed by National Depository Management Limited (NDML), has recently introduced enhancements to the SERF, based on requirements specified by IFSCA.

Under the earlier SERF framework (Version 4), service exports were captured under four broad categories, primarily oriented towards software and IT-enabled services. In order to address the specific operational requirements of IFSC units, particularly in the context of service flows within the IFSC ecosystem and between IFSC, SEZ, and Domestic Tariff Area (DTA) units, the SERF format has been updated to include additional service categories.

Accordingly, the following three categories have been introduced:

- IFSC Service Exports Outside India
- Service Exports to Other IFSC / SEZ Units
- Service Exports by IFSC / SEZ Units to DTA Units

With this enhancement, the SERF framework now enables classification of service transactions based not only on the nature of services but also on the destination of such services. This is expected to improve the granularity of reporting and provide better visibility into intra-IFSC, inter-SEZ, and domestic service linkages.

Further, a transition mechanism has been provided by NDML wherein both the existing and updated SERF formats are being supported for a limited period, after which the updated format is expected to be fully adopted.

¹ <https://cbic-gst.gov.in/pdf/Classification%20Scheme%20for%20Services%20under%20GST.xlsx>

² https://sezonline-ndml.co.in/User/Release_Note_v3.0_Users.pdf



3. Objective and Scope of the Proposal

3.1 The **objectives** of this Consultation Paper are:

- (a) To establish a consistent approach for classification and reporting of revenues from financial services by IFSC units under SERF;
- (b) To introduce a mechanism for capturing foreign currency expense data in the MPR form;
- (c) To enable estimation of value creation in foreign currency (FC) from and within the IFSC by netting gross foreign currency revenue and gross foreign currency expenses.

3.2 The scope is limited to the proposals set out in **Section 1.5** above, applicable to IFSC units reporting under SERF and related reporting.

3.3 This Consultation Paper **does not propose**:

- (a) creation of new SAC codes;
- (b) changes to tax treatment or regulatory obligations; or
- (c) any determination of liability or incentives.

4. Proposed SAC Code Framework

4.1 IFSCA proposes to prescribe a sector-wise list of recommended SAC codes, mapping them against corresponding financial services and income streams typically generated by the IFSC units.

4.2 The proposed framework has been developed based on:

- (a) review of existing SAC classifications;
- (b) analysis of IFSC business models and revenue streams; and
- (c) stakeholder interactions and supervisory experience.

4.3 The guiding principles underlying the proposed framework are:

- (a) classification based on the nature of the service provided and income earned, rather than underlying asset values or balances;
- (b) use of existing SAC codes notified under the GST framework;
- (c) consistent treatment of similar services across entities and sectors; and
- (d) facilitation of aggregation and analysis at sectoral and system-wide levels.

4.4 The proposed sector-wise indicative list of SAC codes relevant to the IFSC ecosystem is provided in **Annexure C** to this Consultation Paper.

4.5 In this context, IFSCA may issue such guidance or directions, as considered necessary, on:

- (a) scope of revenues to be reported; and
- (b) reporting principles for consistency.



5. Proposal on Capture of Expense Data for Net Export Estimation

5.1 IFSCA also proposes to introduce reporting of aggregate monthly expenses incurred in permitted foreign currencies for the purpose of estimating the value generated from and within the IFSC.

5.2 Currently, SERF captures gross revenues from services, but does not capture monthly expenses incurred, limiting the ability to estimate net foreign-currency value generated from services provided from and within the IFSC.

5.3 It is therefore proposed that the Monthly Performance Report (MPR) format be updated to include a separate field titled:

“Expenses (paid in foreign currencies, converted into USD)”

Note: The indicative list of possible expenses in foreign currencies for IFSC units is attached at *Annexure B*.

5.4 In this context, IFSCA may issue such guidance or directions, as considered necessary, on:

- (a) scope of expenses to be reported;
- (b) conversion methodology; and
- (c) reporting principles for consistency.

5.5 The net **foreign-currency value creation (FCVC)**, from services provided from and within the IFSC may be derived, for statistical and analytical purposes, as the difference between **gross foreign currency receipts (FCGR)** and **total foreign currency expenses (FCEXP)**, as follows:

$$FCVC = FCGR - FCEXP$$

Where,

FCGR = Gross Revenues in Foreign Currencies (reported under SERF, before deduction of expenses).

FCEXP = Expenses in Foreign Currencies (on an aggregate monthly basis, to be reported under MPR).

6. Applicability and Implementation

6.1 Subject to finalisation after the consultation process, the proposals relating to standardisation of revenues with SAC codes and capture of expenses for net value estimation, would be applicable to IFSC units for reporting and analytical purposes under the SERF and MPR reporting frameworks.

6.2 IFSCA recognises that IFSC units vary in size, complexity and business models. Accordingly, the proposed framework is intended to provide a clear reference for classification, while allowing proportionate application based on the nature of services provided.

6.3 IFSCA may issue clarifications or guidance notes, as appropriate, to address sector-specific or service-specific classification issues that may arise during implementation.



7. List of Consultation Questions

On Revenues:

Question 1: Whether the proposed mapping (refer *Section 4*) of sector-wise SAC code framework appropriately captures the nature and scope of financial services provided by IFSC units.

Question 2: Whether there are any financial services commonly provided from or within the IFSC that are not adequately covered under the proposed SAC code mapping framework (refer *Annexure C*).

Question 3: Whether the recommended SAC codes are operationally practical and suitable for reporting under SERF.

On Expenses:

Question 4: Whether the proposed approach for capturing foreign currency expenses in the MPR Form (refer *Section 5*) is appropriate for estimation of net foreign currency value creation from the IFSC.

Question 5: Any suggestions on major categories or types of foreign currency expenses (refer *Annexure B*) that may be relevant for inclusion for the purpose of value-creation estimation.

Question 6: Any operational or implementation issues that IFSC units may foresee in reporting foreign-currency expense data under the proposed framework.

8. Submission of Comments

8.1 The IFSC units and other stakeholders are invited to submit their comments on this Consultation Paper by **April 29, 2026**.

8.2 Comments may be submitted in MS Word or MS Excel format only, using the structured format provided in *Section 9* of this Consultation Paper.

8.3 Comments should be sent by email with the subject “**Consultation Paper (SERF & MPR)**” to dept-epa@ifsc.gov.in, with a copy to Mr. Jayanta Devnath, Manager at j.devnath@ifsc.gov.in, and Ms. Udisha Sharma, Young Professional at sharma.udisha@govcontractor.in on or before the date specified in *Section 8.1* of this Consultation Paper.

8.4 Unless confidentiality is specifically requested, comments received may be placed in the public domain. IFSCA reserves the right not to publish submissions where it considers publication not to be in public interest.



9. Format for Submission of Comments

Details of the Person / Entity Organisation Name (if applicable): _____ Name of Person/ Representative: _____ Contact Number: _____ Email Address: _____				
Structured Response Format				
S. No.	Consultation Question No. (As per Section 7 of this <i>Consultation Paper</i>)	Comments / Suggestions	Detailed Rationale	Other Supporting Information

Disclaimer: *This Consultation Paper is issued for the purpose of seeking public comments and does not constitute a regulation, circular or direction of the Authority.*



Annexure A – SERF Format

SERF Format (Version 4.0)

<https://www.sezonline-ndml.com/doc/SERF-Item-Details-Upload-Template-Version-4.xlsm>



SERF Format (Version 5.0)

<https://www.sezonline-ndml.com/doc/SERF-Item-Details-Upload-Template-Version-5.xlsm>



Annexure B – Indicative List of Expenses in Foreign Currency for IFSC Units

Sector	Category	Type of expenses
IFSC	Common to all types of IFSC units	1. Fees paid to regulator (application fees, renewal fees, KMP change etc.)
Banking	IFSC Banking Unit (IBU)	1. Interest expense 2. SLA payments in foreign currency to Head Office 3. Subscription charges for Forex dealings, money market operations, broker subscriptions, etc. 4. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 5. Software license fee 6. Any other Forex charges incurred
	Global Administrative Office (GAO)	1. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 2. Software license fee 3. Any other Forex charges incurred
Payment Services	Payment Service Provider (PSP)	1. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.)
	Payment Service Operator (PSO)	2. Software license fee 3. Any other Forex charges incurred.
Finance Company (FC)	Aircraft Leasing (AL) Entities	1. Interest expense 2. Lease Payments
	Ship Leasing (SL) Entities	3. Foreign Exchange Expense 4. Amortization of capital expenditure (For FCs purchasing assets (helicopter) and showing on the Balance Sheet) 5. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 6. Software license fee 7. Any other Forex charges incurred
	ITFS Platforms	1. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 2. Software license fee 3. Any other Forex charges incurred
	FC – Core (including GRCTCs)	1. Interest expense 2. Foreign Exchange Expense
	FC – Non-Core (other than AL, SL, ITFS)	3. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 4. Software license fee 5. Any other Forex charges incurred
Capital Market	MII	
	Broker Dealer	1. Interest expense
	Clearing Member	2. Bank charges in USD
	Depository Participant	3. Various fees and charges to MIIs 4. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.)



		<ol style="list-style-type: none"> 5. Software license fee 6. Any other Forex charges incurred
	Registered Distributor	<ol style="list-style-type: none"> 1. Interest expense 2. Bank charges may be in USD
	Investment Adviser	<ol style="list-style-type: none"> 3. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.)
	Custodian	<ol style="list-style-type: none"> 4. Software license fee
	Debenture Trustee	<ol style="list-style-type: none"> 5. Any other Forex charges incurred
	Credit Rating Agency	
	Investment Banker	
	Fund Management Entity (FME)	<ol style="list-style-type: none"> 1. Fund administrator cost 2. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.)
	AIFs/ Schemes	<ol style="list-style-type: none"> 3. Software license fee 4. Any other Forex charges incurred
Insurance	Insurance Entities (IIOs)	<ol style="list-style-type: none"> 1. Re-insurance premium paid 2. Commission paid 3. Brokerage paid 4. Bank charges 5. Risk management charges 6. Survey fee paid 7. Claim paid 8. TPA Fee paid 9. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 10. Software license fee 11. Any other Forex charges incurred
	Reinsurance Entities (IIOs)	<ol style="list-style-type: none"> 1. Re-insurance premium paid 2. Bank charges paid 3. Surveyor and Loss Assessor fee paid 4. Brokerage paid 5. Claim paid 6. Survey fee paid 7. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 8. Software license fee 9. Any other Forex charges incurred
	Insurance Intermediaries (IIIOs)	<ol style="list-style-type: none"> 1. Risk management fee paid 2. Bank charges paid 3. Premium paid 4. Claims paid 5. Co-brokerage paid 6. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 7. Software license fee 8. Any other Forex charges incurred
	BATF Service Providers	<ol style="list-style-type: none"> 1. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.)



Financial Support Services	TechFin and Ancillary Services Providers	<ol style="list-style-type: none"> 2. Software license fee 3. Any other Forex charges incurred
	Global In-House Centre	
Metals and Commodities	MII	<ol style="list-style-type: none"> 1. Interest expense 2. Bank charges may be in USD 3. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 4. Software license fee 5. Any other Forex charges incurred
	Bullion Intermediaries	<ol style="list-style-type: none"> 1. Interest expense 2. Bank charges may be in USD 3. Various fees and charges to MIIs. 4. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 5. Software license fee 6. Any other Forex charges incurred
	Vault	
FinTech	Sandbox (Limited Use Authorization)	<ol style="list-style-type: none"> 1. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 2. Software license fee 3. Any other Forex charges incurred
Foreign University	International Branch Campus	<ol style="list-style-type: none"> 1. Expenses incurred on Third Party Service Providers (including legal, consultancy, audit etc.) 2. Software license fee 3. Any other Forex charges incurred



Annexure C – Indicative List of SAC Codes for IFSC units

Sector	Group/ Service Code	Service Description
Banking	997119	Other financial services (except investment banking, insurance services and pension services) [includes interest income]
	997113	Credit-granting services including stand-by commitment, guarantees & securities
	997152	Brokerage and related securities and commodities services including commodity exchange services
	997154	Trust and Custody services
	997158	Financial transactions processing and clearing house services
Capital Markets	996729	Other Storage and Warehousing Services
	997119	Other financial services (except investment banking, insurance services and pension services)
	997152	Brokerage and related securities and commodities services including commodity exchange services
	997154	Trust and custody services
	997158	Financial transactions processing and clearing house services
Fund Management Entities (FMEs)	997119	Other financial services (except investment banking, insurance services and pension services)
	997153	Portfolio management services except pension funds
	997156	Financial consultancy services
	997159	Other services auxiliary to financial services
Ancillary Services	997119	Other financial services (except investment banking, insurance services and pension services)
	997154	Trust and custody services
	997159	Other services auxiliary to financial services
	998212	Legal advisory and representation services concerning other fields of law.
	998214	Legal documentation and certification services concerning other documents.
	998216	Other legal services, n.e.c. ³
	998221	Financial auditing services
	998222	Accounting and bookkeeping services
	998231	Corporate Tax consulting and preparation services
998311	Management consulting and management services including financial, strategic, human resources, marketing, operations and supply chain management.	
Finance Company	996521	Coastal and transoceanic (overseas) water transport services of goods by refrigerator vessels, tankers, bulk cargo vessels, container ships, etc.

³ n.e.c. means not elsewhere classified.



	996602	Rental services of water vessels including passenger vessels, freight vessels etc. with or without operator
	996603	Rental services of aircraft including passenger aircrafts, freight aircrafts etc. with or without operator
	997119	Other financial services (except investment banking, insurance services and pension services)
	997311	Leasing or rental services concerning transport equipments including containers, with or without operator
	997319	Leasing or rental services concerning other machinery and equipments with or without operator
	998399	Other professional, technical and business services n.e.c
	999799	Other services, n.e.c.
Fintech	997331	Licensing services for the right to use computer software and databases.
	998313	Information technology (IT) consulting and support services
	998315	Hosting and information technology (IT) infrastructure provisioning services
	998316	IT infrastructure and network management services
	998599	Other support services n.e.c.
Insurance	997132	Life insurance services (excluding reinsurance services)
	997133	Accident and health insurance services
	997136	Freight insurance services & Travel insurance services
	997141	Life reinsurance services
	997142	Accident and health reinsurance services
	997143	Motor vehicle reinsurance services
	997144	Marine, aviation and other transport reinsurance services
	997145	services
	997146	Freight reinsurance services
	997147	Other property reinsurance services
	997149	Other non-life reinsurance services
	997161	Insurance brokerage and agency services
	997162	Insurance claims adjustment services
	997163	Actuarial services
	997164	Pension fund management services
	997169	Other services auxiliary to insurance and pensions
Metals and Commodities	996713	Clearing and forwarding services
	996729	Other storage and warehousing services
	997152	Brokerage and related securities and commodities services including commodity exchange services
	997158	Financial transactions processing and clearing house services
	997159	Other services auxiliary to financial services
Foreign University	999241	Higher education services, general
