



## PRESS RELEASE

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### **Authority Approves Draft IFSCA (Pension Fund) Regulations, 2026**

The 27th meeting of International Financial Services Centres Authority (IFSCA) was held on 9th February 2026. During the meeting, the Authority approved the draft IFSCA (Pension Fund) Regulations, 2026.

The main objective of the pension fund regulations in the IFSC is to establish a robust framework for long-term retirement savings which promotes a secure and transparent environment for subscribers, positioning the IFSC as a global hub for financial services.

### **Key Features of the Draft Regulations**

#### **1. Pension Product for any individual**

The proposed framework enables Pension Fund Managers (PFMs) in IFSC to offer voluntary pension schemes to any individual above the age of 18 years, thereby facilitating access to global retirement solutions through IFSC.

#### **2. Voluntary and Flexible Structure**

Participation in the pension scheme is entirely voluntary. Investment options include:

**Active Choice**- allowing subscribers to determine their asset allocation; and

**Auto Choice (Life-Cycle Fund)**- where asset allocation adjusts automatically based on age.

#### **3. Special Healthcare Benefit Option**

The draft Regulations introduce a dedicated Healthcare Benefit Option, permitting allocation of up to 10% of their contributions towards a separate healthcare sub-account.

Key features include:

- a) Investment in low-risk, highly liquid instruments
- b) Access to funds for medical emergencies or planned healthcare expenses
- c) Option at retirement to utilise the balance for health insurance purchase or rollover into the main pension corpus.

#### **4. Flexible Withdrawal and Exit Framework**

The Regulations provide for:

- a) Partial withdrawals for specified purposes after a lock-in period
- b) Systematic Withdrawal Plan (SWP) at retirement
- c) Deferral of withdrawal up to 75 years of age
- d) Nomination and portability between Pension Fund Managers

#### **5. Strong Governance and Risk Management Standards**

The draft framework prescribes:

- a) Mandatory registration of PFMs with minimum net worth requirements
- b) Board oversight with independent directors
- c) Enterprise-wide risk management framework with a three-lines-of-defence model

#### **6. Global Investment Flexibility with Prudential Safeguards**

PFMs may invest across equities (domestic and foreign), fixed income instruments, alternative assets, and other permissible assets, subject to defined exposure and concentration limits to ensure prudential risk management.

The introduction of a dedicated pension framework in IFSC marks a significant step towards positioning IFSC as a competitive global hub for retirement solutions and long-term savings products.

The notification will be released in due course on [www.ifsc.gov.in](http://www.ifsc.gov.in)

February 12, 2026

GIFT City, Gandhinagar

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