



International Financial Services Centres Authority
CIRCULAR

E. File.no. IFSCA-FMPP0BR/12/2023-Banking

October 7, 2025

To,

All IFSC Banking Units

Dear Sir/Madam,

Foreign Currency Settlement System– Instructions for IFSC Banking Units

1. The Foreign Currency Settlement System (FCSS) has been launched today.

2. The Authority has authorised CCIL IFSC Limited (“CIL”) under the provisions of Section 7 of the Payment and Settlement Systems Act, 2007, and Regulation 6 of the International Financial Services Centres Authority (Payment and Settlement Systems) Regulations, 2024, read with Section 12 and Section 13 of the International Financial Services Centres Authority Act, 2019 to operate the FCSS. CIL has entered into an agreement with Standard Chartered Bank, IBU (SCB) to act as the Settlement Bank for the FCSS.

3. The Authority has notified¹ the Bye-Laws, Rules and Regulations (BRR) prepared by CIL as the regulation, guideline, instruction or direction governing the operations of the FCSS in exercise of the powers conferred under sub-section 1 of Section 10 of the Payment and Settlement Systems Act, 2007 and Regulation 9 of the International Financial Services Centres Authority (Payment and Settlement Systems) Regulations, 2024 read with Section 12 and Section 13 of the International Financial Services Centres Authority Act, 2019,

4. **Features of FCSS**

- i. The FCSS shall settle transactions undertaken in foreign currency.
- ii. To start with, the FCSS shall settle transactions undertaken in United States Dollar (USD)
- iii. The payment obligations and settlement instructions among the FCSS participants shall be determined in accordance with the gross settlement procedure
- iv. The operating hours of the FCSS shall be 08.00 hrs IST to 20.00 hrs IST on all business days of the FCSS.
- v. The FCSS system is compatible with the ISO 20022 messaging standards

5. **Membership and Access**

- i. IBUs are eligible to be members of the FCSS subject to satisfaction of the access criteria laid down in the BRR.

¹ Vide circular E.File.no.IFSCA-FMPP0BR/6/2024-Banking dated October 3, 2025

- ii. IBUs shall apply to CIL for becoming members of the FCSS as per the procedure laid down in the BRR.
 - iii. Once admitted to the membership of FCSS, IBUs shall comply with the requirements of the BRR along with the instructions, if any, issued by the Authority from time to time.
6. This circular is issued by the Authority in exercise of its powers under Section 18 of the Payment and Settlement Systems Act, 2007 read with Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019.

Yours faithfully

(Supriyo Bhattacharjee)

Chief General Manager
Department of Banking Regulation