



ANANDRATHI
INTERNATIONAL VENTURES(IFSC)
Global Investments Simplified



FREQUENTLY ASKED QUESTIONS — GIFT NIFTY

Exchange : NSE IX – GIFT City IFSC Gandhinagar – Gujarat

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What is GIFT Nifty?

SGX Nifty is now renamed as GIFT Nifty. Effectively the offshore contract which international investors' have access to and are traded in US dollars. It is now going to be available on the listed exchange called as NSE International Exchange (NSE IX) which works under the regulatory framework of the International Financial Services Center Authority (IFSCA).

For more information on the product and contract specifications you can visit <https://www.nseix.com/markets>

What are the benefits of trading Gift Nifty?

There are several benefits to trading Gift Nifty, including:

- **Extended trading hours:** Gift Nifty will be traded for nearly 21 hours per day, which overlaps with trading hours in Asia, Europe, and the United States. This gives traders more flexibility and opportunities to trade.
- **Single pool of liquidity:** Gift Nifty will be traded on a single pool of liquidity, which will help to improve price discovery and reduce transaction costs.
- **Regulatory certainty:** Gift Nifty will be traded under the regulatory framework of International Financial Services Centres Authority (IFSCA), which provides investors with a high level of confidence.

What are the different Gift Nifty contracts?

GIFT NIFTY is dollar denominated products and that are available in following indices

- **GIFT Nifty 50:** This is the most popular Gift Nifty contract, and it tracks the Nifty 50 index.
- **GIFT Nifty Bank:** This contract tracks the Nifty Bank index, which consists of the 12 largest banks in India.
- **GIFT Nifty Financial Services:** This contract tracks the Nifty Financial Services index, which consists of the 25 largest financial services companies in India.
- **GIFT Nifty IT:** This contract tracks the Nifty IT index, which consists of the 25 largest IT companies in India.

How can I trade GIFT Nifty?

NRIs can trade Gift Nifty through a broker that is a member of the NSE IX. You will need to open trading account with the broker and deposit funds before you can start trading.

What are the margin requirements for GIFT Nifty?

Initial margin shall include Standard Portfolio Analysis of Risk (SPAN8) margins, premium margin, futures final settlement margin and such other additional margins as and when notified by Clearing Corporation from time to time.

For more information on the product and contract specifications you can visit NSEIX

What are the settlement details for Gift Nifty?

Settlement Schedule is T+1. Please note, the evening session is called as T+1. For example, if the trades are executed on Monday evening session and Tuesday morning session the same will be settled together on Tuesday afternoon.

How does Gift Nifty work?

The Singapore market, which directly affects the NSE market, opens about two hours before the Indian market. It moves in relation to the Indian Nifty, making it a useful tool for forecasting the Indian market and giving it a head start. Additionally, Singapore and India share the same continent, which links their economies and frequently determines how each market feels. This makes it simple for Indian financial and advisory organisations to offer trading advice on the Nifty.

Why is GIFT NIFTY brought to India?

The move to bring GIFT Nifty to the GIFT city is aimed at bringing volumes to India. Trading on GIFT City would benefit the FPIs and other foreign investors as they will be subject to minimum alternate tax (MAT) of 9 per cent and along with exemptions concerning stamp duty and taxes that has been slashed by Government of India making it competitive with other financial hub such as Singapore, Dubai, and Hong Kong.

How is GIFT Nifty different from Indian Nifty?

The main difference between the SGX Nifty and the Indian Nifty is that the SGX Nifty is a futures contract which is traded in Singapore, whereas the Indian Nifty trades only on the Indian stock exchange which is the National Stock Exchange or NSE. Another important difference is the contract size of the Indian Nifty and the SGX nifty. In Indian Nifty contract the lot size is 50, which is not required in the SGX Nifty. SGX Nifty sees a high volume and trading because it is the most active trading platform in Singapore and the only trading platform that works for sixteen hours a day outside India. This is definitely not the case with the Indian Nifty, which is a National exchange platform. These characteristics of SGX nifty make it more profitable.

Can an Indian resident trade GIFT Nifty from India?

It is not permitted for Indian citizens to trade in the GIFT Nifty. Only foreign portfolio investors (FPI's) and NRIs are allowed to do so.

What is the difference between the spot Nifty 50 and the GIFT Nifty?

Nifty futures contracts on the Singapore exchange are based on the Nifty value and are twice the size of Nifty contracts or equal to two lots of Nifty. Most global investors prefer the SGX Nifty over NSE Nifty futures.

Advantages of SGX Nifty (Now renamed as GIFT NIFTY)

- Encourages more foreign investors to invest in the Indian derivative market.
- The proximity in location between India and Singapore ensures that there is better connectivity between the two exchanges and lesser time lapse.
- It serves as a good alternative to investors who do not have access to Indian markets especially if they seek to transact in terms of US Dollars.
- The expanded working hours of GIFT Nifty provides leverage in transactions, especially with regard to the hedge funds.

Who is eligible to trade in GIFT Nifty?

Any trading member Indian / foreign registered or non-registered with their domestic regulator by setting up its office through subsidiary/ branch model can start trading in the Gift Nifty products by taking membership of NSE IX. Participants like Non- Resident Indians (NRIs), Foreign Portfolio Investors (FPIs) and Eligible Foreign Investors (EFIs) can trade in these products by becoming the client of trading member of NSE IX.

How does GIFT Nifty impact the Indian Market?

There is a time difference between the Indian Nifty and the SGX Nifty, wherein the Singapore market opens about two and a half hours before the Indian market. SGX Nifty is the only trading platform that works for sixteen hours a day. This makes SGX Nifty very helpful in predicting the Indian Nifty's pre-market behaviour. This also allows investors to know the fluctuations in the market and how the Nifty trading will start in India. By checking SGX Nifty, the investors/traders get an idea about the Indian market and whether it will open with positive or negative results. Every morning it gives us a sense of how Indian markets would open.

What are the risks of trading GIFT Nifty Derivatives?

The risks of trading GIFT Nifty Derivatives include:

- **Loss of capital:** As mentioned earlier, GIFT Nifty Derivatives are a leveraged product, which means that investors can lose money than they invest.
- **Liquidity risk:** The liquidity of GIFT Nifty Derivatives can fluctuate, which means that it may be difficult to buy or sell contracts at the desired price.
- **Volatility risk:** The price of the Nifty index can be volatile, which means that the price of a GIFT Nifty Derivatives contract can also be volatile. This can lead to large profits or losses in a short period of time.

What are the trading hours for GIFT Nifty?

Market Timings for trading starts at 6:30* am to 02:45 am (next day) Indian Standard Time. There are trading sessions namely 6.30 am to 3.40 pm and 4.35 pm to 2.45 am (next day) Timing details for various products are available on NSE IX website and same can be access through below link:
<https://www.nseifsc.com/markets/trading/tradinghours>

What purpose is this contract serving?

- SGX Nifty are among the most traded ones and the volume would come entirely to India is due course.
- The Government's vision to get maximum foreign investment is also likely to get a push as more foreign investors are getting attracted to the heavy tax cuts and exemptions. At present, foreign investors enjoy a minimum alternate tax of 9% and enjoy exemption from stamp duty, GST etc.

What is NIFTY 50 in Indian Domestic exchange?

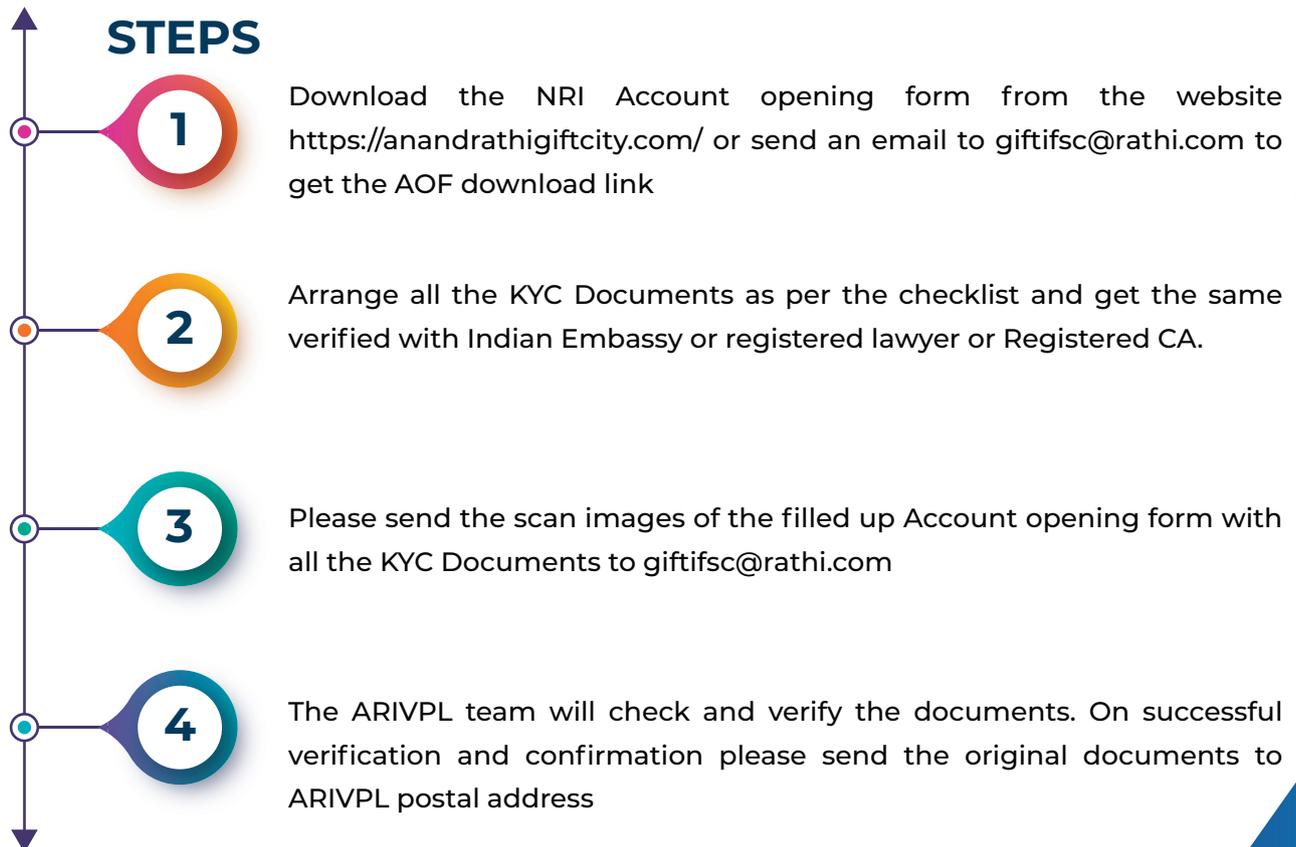
The NIFTY 50 is a diversified 50 stocks index accounting for 13 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. NIFTY 50 is ideal for derivatives trading. NIFTY 50 Index represents 62% of free float market capitalization and approximately 41% of the traded value of all stocks on NSE as on 30 September 2022. The Impact cost of the NIFTY 50 for the portfolio size of Rs 50Lakhs is 0.02% as on September 2022.

Nifty 50 – Present composition as on May 2023			
S.no	Company Name	Symbol	Weightage (%)
1	Reliance Industries Ltd.	RELIANCE	10.98
2	HDFC Bank Ltd.	HDFCBANK	8.96
3	ICICI Bank Ltd.	ICICIBANK	7.76
4	Infosys Ltd.	INFY	6.90
5	Housing Development Finance Corporation Ltd.	HDFC	5.94
6	Tata Consultancy Services Ltd.	TCS	4.17
7	ITC Ltd.	ITC	3.65
8	Kotak Mahindra Bank Ltd.	KOTAKBANK	3.31
9	Axis Bank Ltd.	AXISBANK	3.16
10	Larsen & Toubro Ltd.	LT	3.15
11	State Bank of India	SBIN	2.94
12	Hindustan Unilever Ltd.	HINDUNILVR	2.86
13	Bharti Airtel Ltd.	BHARTIARTL	2.52
14	Bajaj Finance Ltd.	BAJFINANCE	2.19
15	Asian Paints Ltd.	ASIANPAINT	1.74

How can an NRI open his/her trading account with Anand Rathi International Ventures IFSC – GIFT City?

Anand Rathi International Ventures (IFSC) is a registered Trading Member with NSE IX thus NRI clients and FPIs can register with us and start their GIFT Nifty journey !

Please refer to the following steps to open trading account with ARIVPL – GIFT City:



The postal address is as mentioned below:

634, SIGNATURE TOWER, 6TH FLOOR, BLOCK 13B, ZONE 1, GIFT CITY-382355, GUAJRAT, INDIA.

Step 5: You will receive the welcome letter with details of trading account and other related documents from Anand Rathi International Ventures IFSC Pvt Ltd – GIFT City.

For Support , Please connect with ARIVPL Support desk

What documents are required to open the trading account for NRIs?

The documents required to open trading account are:

- PAN Card
- 3 months bank statement (funding bank) or ITR or Cancelled Cheque
- Overseas Address proof
- Aadhar Card or Aadhar Consent Letter (optional)
- Passport with valid Visa Stamp
- 3 passport size photo

Note: The above mentioned documents should be notarized by Indian Embassy/Registered Notarized Firm or Registered CA or Registered Lawyer.



ARIVPL- GIFT NIFTY trading support desk:

ARIVPL- GIFT NIFTY trading support desk is a team of professionals who provides support to traders who wish to trade the GIFT NIFTY contracts. The team not only looks after administering trading accounts such as processing orders and settling trades but also complies with regulatory requirements such as reporting trading activities to regulators.

If you are interested in trading the GIFT Nifty contracts, Please contact the ARIVPL- GIFT NIFTY trading support desk.

Dinesh Modi: +91 99872 31156

Niteen Dongare: +91 99671 65230

Drishya Ramachandran : +971 52 111 9407



For more information



Email your queries to giftifsc@rathi.com



+91 99671 65230 / +91 99872 31156



Dubai: +971 52 111 9407

ANAND RATHI INTERNATIONAL VENTURES (IFSC) PRIVATE LIMITED

Registered office: 6th Floor, Unit No. 634, Signature Tower, Building 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhi Nagar, Gujarat – 382355, India. CIN No.: U65999GJ2016PTC094915. SEBI Registration No.: INZ000292939 (INDIA INX Member Code-5064 | NSE IFSC Member Code-10048.

For any complaints email at ifscgrievance@rathi.com. Regulator: "International Financial Services Centre Authority (IFSCA)" <https://www.ifsc.gov.in>.

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