

The difference between IFSC (International Financial Services Centre) and SEZ (Special Economic Zone) units lies in their objectives, locations, regulations, and the types of activities they support. Here's a comparison:

Aspect	IFSC Units	SEZs Units
Purpose	To provide a hub for financial services and products for global clients.	To promote exports, manufacturing, and services within India.
Regulation	Governed by specific financial regulators (e.g., IFSCA in India).	Governed by SEZ Act, 2005 and SEZ Rules, 2006.
Location	Typically established in financial hubs, e.g., GIFT City in Gujarat, India.	Located in designated SEZs across India, near ports or trade hubs.
Activities Allowed	Primarily financial services, such as banking, insurance, capital markets, asset management, etc.	Manufacturing, trading, IT services, and other export-focused industries.
Tax Benefits	<ul style="list-style-type: none"> ▶ Tax exemptions on capital gains, interest, and certain other income. ▶ Special provisions for offshore and global transactions. ▶ Income Tax exemption ▶ Exemptions on import/export duties and GST. 	<ul style="list-style-type: none"> ▶ Income tax exemption for initial units set up before 31st March 2020, after March 2020 there is no Income tax exemption post that. ▶ Exemptions on import/export duties and GST.
Market Focus	Global or offshore markets; caters to international businesses.	Primarily focuses on export markets but can serve domestic markets under conditions.
Currency Operations	Allowed to deal in foreign currency.	Allowed to deal in foreign currency for inward remittance.
Examples	Units offering global banking, investment funds, insurance for international clients.	Factories, IT parks, R&D facilities, or trading hubs within SEZs.
Employment Impact	Focused on skilled professionals in finance and related fields.	Provides employment in a range of industries, from manufacturing to IT.
Compliance Requirements	Adheres to IFSC-specific guidelines and sectoral regulations.	Must comply with SEZ-specific laws and export obligations.

In essence:

IFSC units are financial ecosystems tailored for global financial services and trade.
SEZ units are industrial and service hubs focused on boosting exports and economic activity.