



PRESS RELEASE

IFSCA issues framework for Aircraft Operating Lease

The Hon'ble Finance Minister, in her Budget speech in July 2019, stated, *"The time is ripe for India to enter into aircraft financing and leasing activities from India shores", this is critical for "development of self-reliant aviation industry" and creating, "aspirational jobs in aviation finance, besides leveraging the business opportunities available in India's Financial Special Economic Zone namely, International Financial Services Centre (IFSC)."*

On October 16, 2020, Government of India, on the recommendation of International Financial Services Centres Authority (IFSCA), had notified 'Aircraft lease which shall include operating and financial lease and any hybrid of operating and financial lease of aircraft or helicopter and engines of aircraft or helicopter or any part thereof' as 'financial product' under International Financial Services Centres Authority Act, 2019.

Towards this end, IFSCA had issued a consultation paper on Draft Aircraft Leasing Regulations on December 16, 2020. Based on the interest shown by various participants and the feedback of various stakeholders received, a 'Framework for Aircraft Operating Leases' has been issued by IFSCA today. This will enable the aircraft operating lease business in IFSCs in India, the projected market size of which is more than USD 50 Billion.

The Circular on *"Framework for Aircraft Operating Leases"* has been uploaded on the IFSCA website at the URL: <https://www.ifsc.gov.in/circular>.

Gandhinagar

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