



Press Release

Public Consultation – Enabling operating lease, including any hybrid of operating and financial lease, of Oilfield equipment as a financial product

1. The International Financial Services Centres Authority (IFSCA) has issued a public consultation paper dated March 7, 2025, for enabling operating lease, including any hybrid of operating and financial lease, of Oilfield equipment as a financial product under the provisions of the IFSCA Act, 2019.
2. As per Regulation No. 5(1)(iii)(g) of the IFSCA (Finance Company) Regulations, 'Operating lease of any product or equipment as specified by the Authority from time to time' is a non-core activity that may be undertaken by a Finance Company. The Authority's power to specify any product or equipment is derived from the Government of India notification No. SO 5199 (E) dated December 14, 2021.
3. Till date, the Authority has specified ships, aircraft ground support equipment, aircraft flight simulators and aviation training simulation devices in exercise of its powers under the abovementioned notification. Specification of such products and equipments have been enabled, after careful consideration of key principles¹ that are aligned with the objective of the Authority.
4. As on December 31, 2024, 30 Aircraft Operating Lease (AOL) entities and 15 ship leasing entities have been registered with IFSCA and demonstrating accelerated growth. The registered AOL entities till December, 2024 have leased 196 assets, exhibiting 55% annual growth rate and the total assets leased by Ship leasing entities has tripled over the period of one year with total 13 assets leased as on December 31, 2024.
5. In continuation to the above, IFSCA has released a consultation paper proposing to specify oilfield equipment under its abovementioned powers. The definition of oilfield equipment has been proposed to be adopted from the list of relevant goods annexed to the table specified in the GST notification no. 3/2017-Central Tax (Rate) dt. 28-06-2017 [Concessional CGST rate for supplies to Exploration and Production]. Such oilfield equipments are envisaged to be used both for the purpose of onshore as well as offshore Oilfield operations.
6. The Public Consultation note may be found at [International Financial Services Centres Authority](#).

March 7, 2025
Gandhinagar.

¹ Import substitution, onshoring the offshore, value addition to the Indian Economy and developing IFSC as a regional hub for international financial service