International Financial Services Centres Authority (IFSCA)

सत्यमेव जयते

Goverment Of India

Aircraft Lease

The India Opportunity

Maximising the India Opportunity

Fastest Growing Large Economy & Stable Democracy

Key Achievements

- GDP currently at USD 3.94 Tn
- Exports of USD 779 Bn in FY23-24

Key Achievements

- 77 years of Democracy
- Strong Institutions – Parliament, Media, Judiciary

High Real GDP Growth Rate of
8.2% FY 23-24

Youngest population : 65% of population under 35 years of age

5th largest economy;
To be 3rd largest by FY28

Average real income of citizens has increased by 50% in the last decade

Gross FDI inflows reached
USD 70.09 Bn in FY 24

Manufacturing sector contributed 15% to Nominal GVA in Q4, FY 24

Viksit Bharat@2047 – Developed India@2047

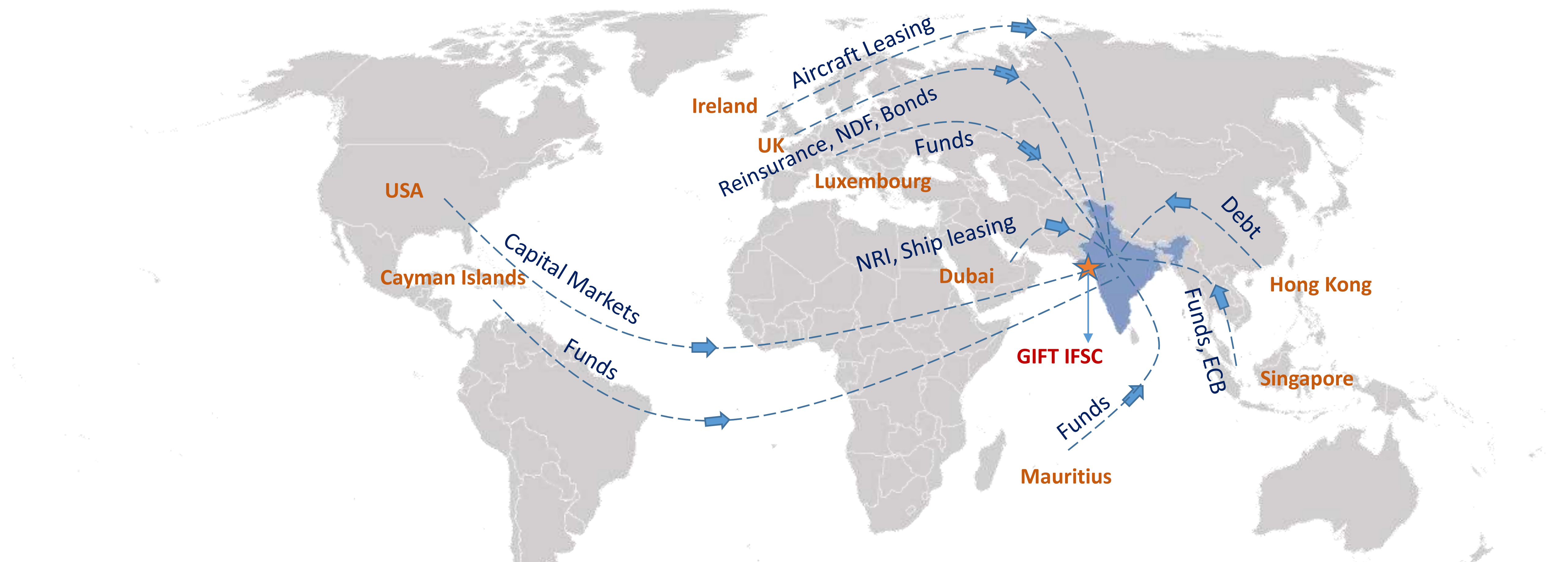
Inclusive Sustainable Growth for the World's Largest Democracy

- Potential Growth of 7+% over next 25 years
- Per Capita Income to grow 9x to ~USD 22,000
- Industry share to rise from 17%→25% of GDP
- Exports to grow x5 to USD 8 Tn. by 2047
- Net Zero Transition by 2070: USD 10 Tn

GIFT City and IFSC Opportunity

IFCs catering to India’s demand for International Financial Services

GIFT IFSC: Onshoring the Offshore International Financial Services



Key financial services being availed from overseas jurisdictions

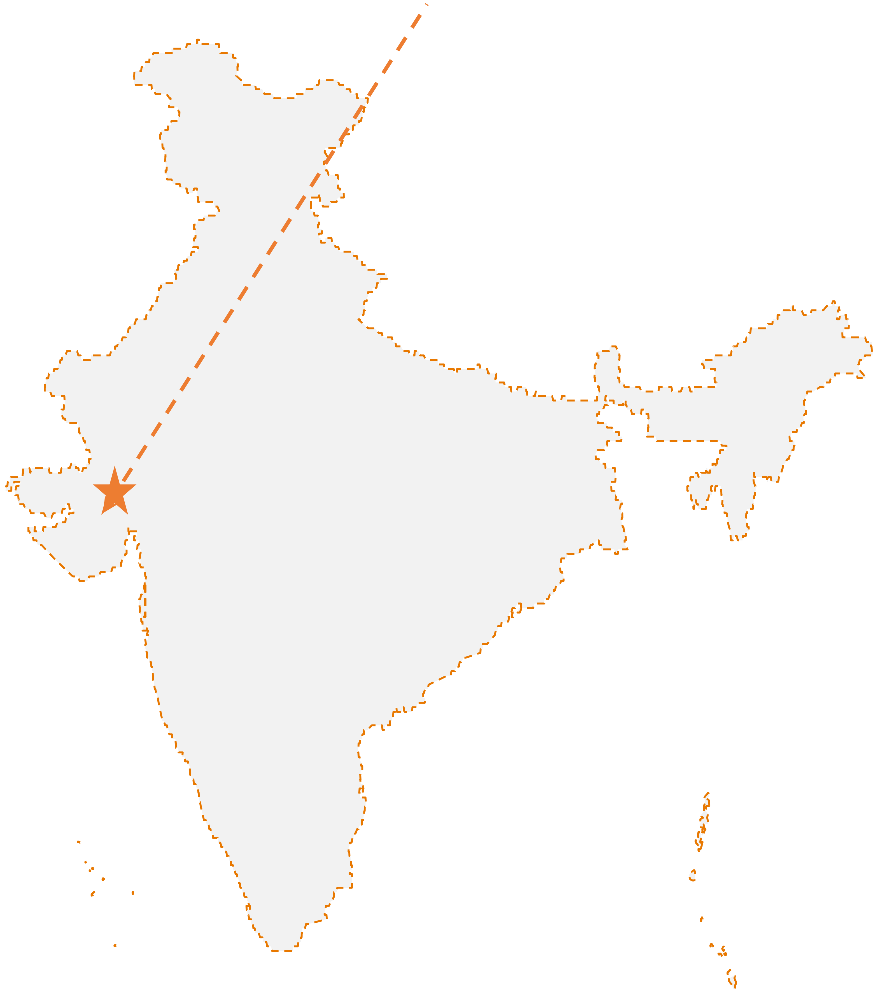
Banking Services: ECB, Trade Finance, Non-Deliverable Forwards & Loan syndication	**Funds Industry**: Pooling of global capital by Pvt. Equity/ VC Funds/ Hedge Funds for investments into India	**Capital Mkts:** Issuance & listing of Bonds including ESG bonds, trading of Indian securities & products	**Insurance:** Reinsurance busines **Aircraft & Ship Leasing** busine

Objectives of GIFT IFSC

1. Onshore international financial services business from offshore centres such as Singapore, Hong Kong, Dubai, London, etc.
2. Serve as a dominant gateway for channelizing global capital for Viksit Bharat @ 2047
3. Develop expertise in niche and specialized businesses such as aircraft & ship leasing, fintech, global treasury centres, commodity trading, etc.
4. Provide high quality employment opportunities to the talented Indian workforce

GIFT City and IFSC

India's 1st Operational Smart City & IFSC



27.70 Mn Sq ft	12.99 Mn Sq ft	20
Total development rights allotted	Area under development	Number of Operational Buildings

GIFT City is divided into two zones:

a. Special Economic Zone (IFSC Zone)

b. Domestic Tariff Area (Domestic area)

Greenfield smart city

Land parcel size: 886 acres

Social Infra – Hotels, Hospitals, Schools, etc

‘Walk to work concept’ – Residential & Riverside

Vision for GIFT IFSC

Hon’ble Prime Minister of India
Sh. Narendra Modi

“We want to make GIFT City the Global Nerve Center of **New Age Global Financial and Technology Services**”

“GIFT IFSC's **cutting-edge digital infrastructure** provides a platform that enables businesses to increase efficiency”

“GIFT City is an important gateway to **connect India with global opportunities**....

Jurisdictional Comparison

Jurisdiction	Foreign jurisdiction (rest of the world)	IFSC SEZ (India)	India DTA (India)
FEMA	Offshore Non-Resident	Offshore Non-Resident	Onshore Resident
Currency	Respective Int’l Currency	15 Currencies (INR Not Permitted)	INR denominated
Tax	Offshore	Tax Holiday (Tax Resident)	Taxes as applicable
Law	Resident’s Jurisdiction	Indian Jurisdiction	Indian Jurisdiction

GIFT IFSC: Unique and Distinct Features

Dedicated & Unified Financial Regulator

No capital controls

Full Convertibility with 15 foreign currencies

Globally benchmarked regulations

Attractive Tax Regime

Sovereign support, including carve outs

Competitive Advantage

- **Access to large hinterland Indian economy (Hinterland advantage)**
- **Beneficial cost of operations (Cost advantage)**
- **Availability of skilled talent pool (Talent advantage)**

Competitive tax regime

1. Tax Holiday on Business Income for 10 out of 15 years
2. Minimum Alternate Tax* @ 9%
3. No CTT**/STT**/GST**/Stamp Duty
4. Reduced Withholding Tax of 9% on interest paid on Debt Instruments
5. Competitive Tax Regime for Funds
6. Incentives under Gujarat IT/ITeS Policy (2022-27)

*MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BA of Income Tax Act, 1961
**CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax

IFSC: Business activities

Banking

- Indian Banks (16)
- Foreign Banks (12)
- Global Administrative Office (1)
- Rep. Offices

Capital Market

- Stock Exchanges (2)
- Clearing Corporation (2)
- International Depository (1)
- Broker Dealers (82)
- Investment Bankers (3)
- Custodians (5)
- Depository Participants (10)
- Clearing members (22)

Asset management

- Fund Management Entities (137)
- Alternate Investment Funds (189)
- Investment Advisers (3)
- Portfolio Managers (19)
- Distributors (10)

Insurance

- Indian & Foreign Insurer (12)
- Indian & Foreign Reinsurer (3)
- Insurance Intermediaries (24)
- Insurance Web-Aggregators

Niche Institutions

- International Bullion Exchange
- Finance Companies (6)
- Global Treasury Centre (3)
- ITFS Platform (4)
- Aircraft Leasing & Financing (32)
- Ship Leasing & Financing (21)

Emerging businesses

- Foreign Universities (2)
- Global Fintech Hub (57)
- Global in-House Centres (3)
- Professional Service Providers (83)
- Payment Service Providers (2)
- BATF Service Provider

Figures in brackets are the number of entities authorized by IFSCA

Business Highlights: GIFT IFSC

725 +

Number of IFSCA Registered* Entities till Nov. 2024

$ 87 Bn

Monthly turnover on IFSC International Stock Exchanges in Nov. 2024

$ 71 Bn

Total Banking Asset Size in Nov. 2024

137

Number of Funds Management Entities registered till Nov. 2024

$ 63 + Bn

Cumulative Debt Listing on IFSC Exchanges till Nov. 2024

$ 1048 Bn

Cumulative Banking transactions till Nov. 2024

184

Aviation Assets leased from IFSC till Nov. 2024

$ 45 + Bn

Total targeted corpus of Alternative Investment Funds till Nov. 2024

$ 40 Bn

Derivative Transactions booked by banks in Nov. 2024

Regulatory Framework for Aircraft Lease in IFSC

- ❑ Aircraft leasing is regulated under IFSCA (Finance Company) Regulation, 2021, and entities are allowed to register as aircraft lessor under 'Framework for Aircraft Lease'.

- ❑ "Aircraft Lessor" is an entity engaged in the business of providing aircraft or helicopter and engines of aircraft or helicopter or any other part thereof and/or aircraft ground support equipment and/or aviation training simulation device under an operating lease, financial lease and/or a hybrid of the financial and operating lease.

❑ MODE OF BUSINESS:

- Aircraft leasing entity can be set up as a Company or an LLP or a Trust or any other form as may be specified by the IFSCA.

- The promoter of the applicant shall be located in a Financial Action Task Force (FATF) compliant jurisdiction.

❑ SHARING OF OFFICE SPACE AND MANPOWER:

- IFSC aircraft lessor is permitted to share office space or manpower or both with another aircraft lessor being a group entity.

Key Provisions of the Framework for Aircraft Lease in IFSC:

❑ PERMISSIBLE ACTIVITIES:

- Financial lease, operating lease or a hybrid of financial and operating lease, including sale and leaseback, purchase, novation, transfer, assignment, and such other similar transactions in relation to Aircraft lease;

- Asset Management Support Services for assets owned or leased out by the lessor or by any of its Group Entities set up in IFSCs in India;

- Any other related activity with the prior approval of the IFSCA.

❑ CAPITAL REQUIREMENT:

- A minimum owned fund of USD 200,000 or its equivalent for Operating lease and USD 3,000,000 or its equivalent for Financial lease or hybrid lease.

- The owned fund requirement is to be met before commencing business and a time period of 6 months is provided from the date grant of provisional registration for infusing the funds.

❑ CURRENCY:

- The entity can deal in any freely convertible foreign currency as specified by IFSCA and is permitted to defray its administrative expenses in INR.

Setting up an Aircraft leasing Entity in IFSC

The entity applies in SWIT

Based on complete information, provisional registration granted, subject to the conditions specified

Registration is granted, post fulfillment of conditions specified above

Commencement of operations of Aircraft lessors

THANK YOU