



International Financial Services  
Centres Authority (IFSCA)



# Ship Leasing

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# 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



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



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



Gross FDI inflows reached  
**USD 70.09 Bn in FY 24**

## Key Achievements

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



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



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



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*



**USD 35 Trillion**  
*Projected Economy*



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

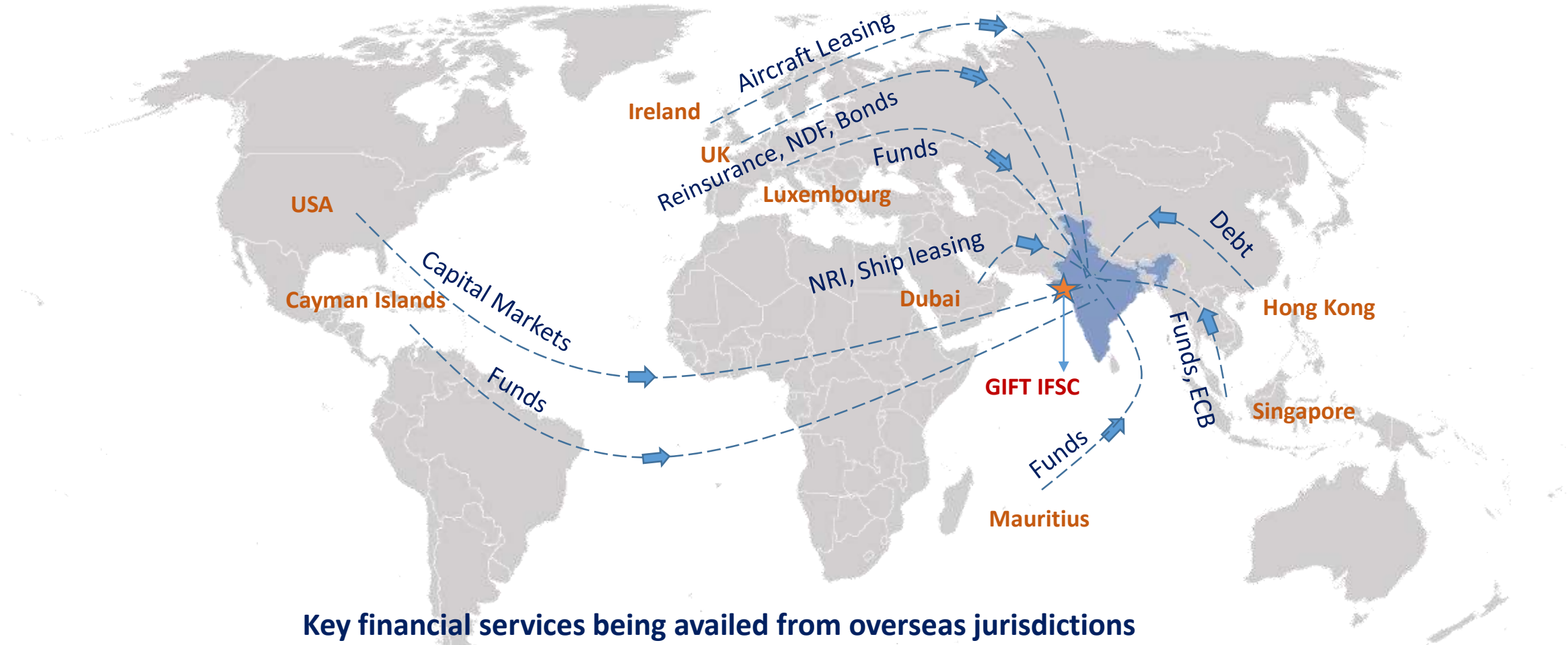
# GIFT City and IFSC Opportunity

5.41



# IFCs catering to India's demand for International Financial Services

## GIFT IFSC: Onshoring the Offshore International Financial Services



**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

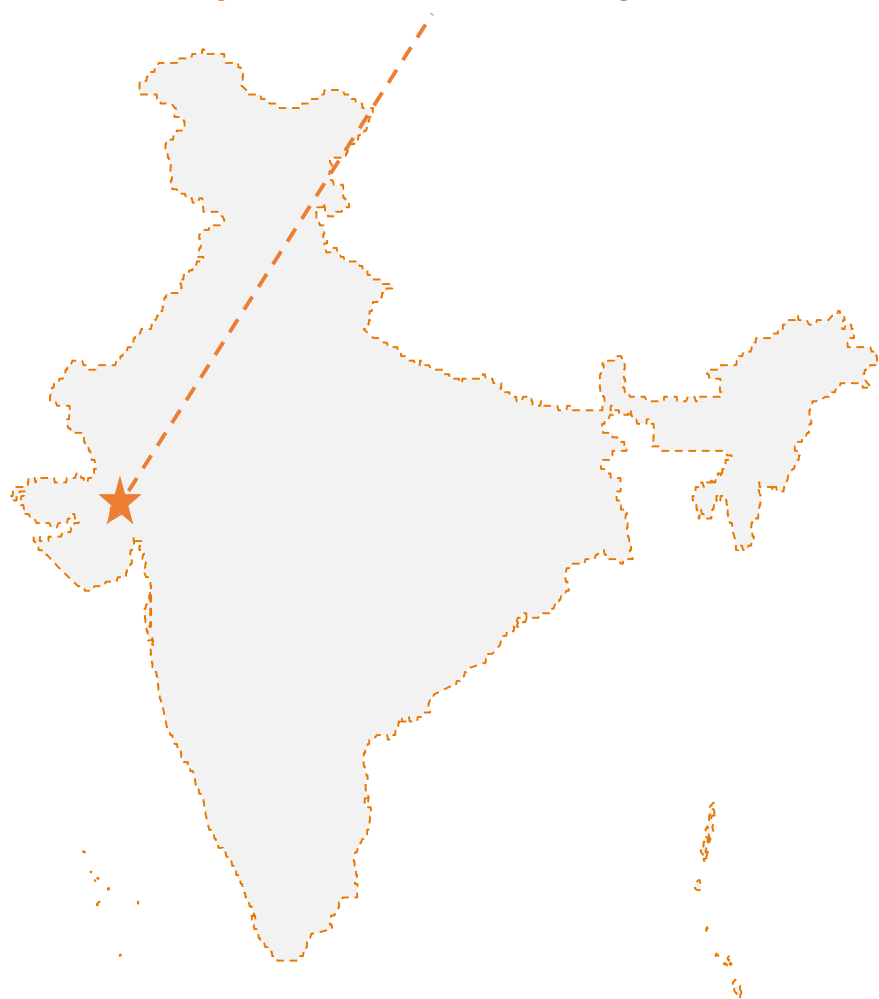
**Insurance:** Reinsurance business  
**Aircraft & Ship Leasing** business

# 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

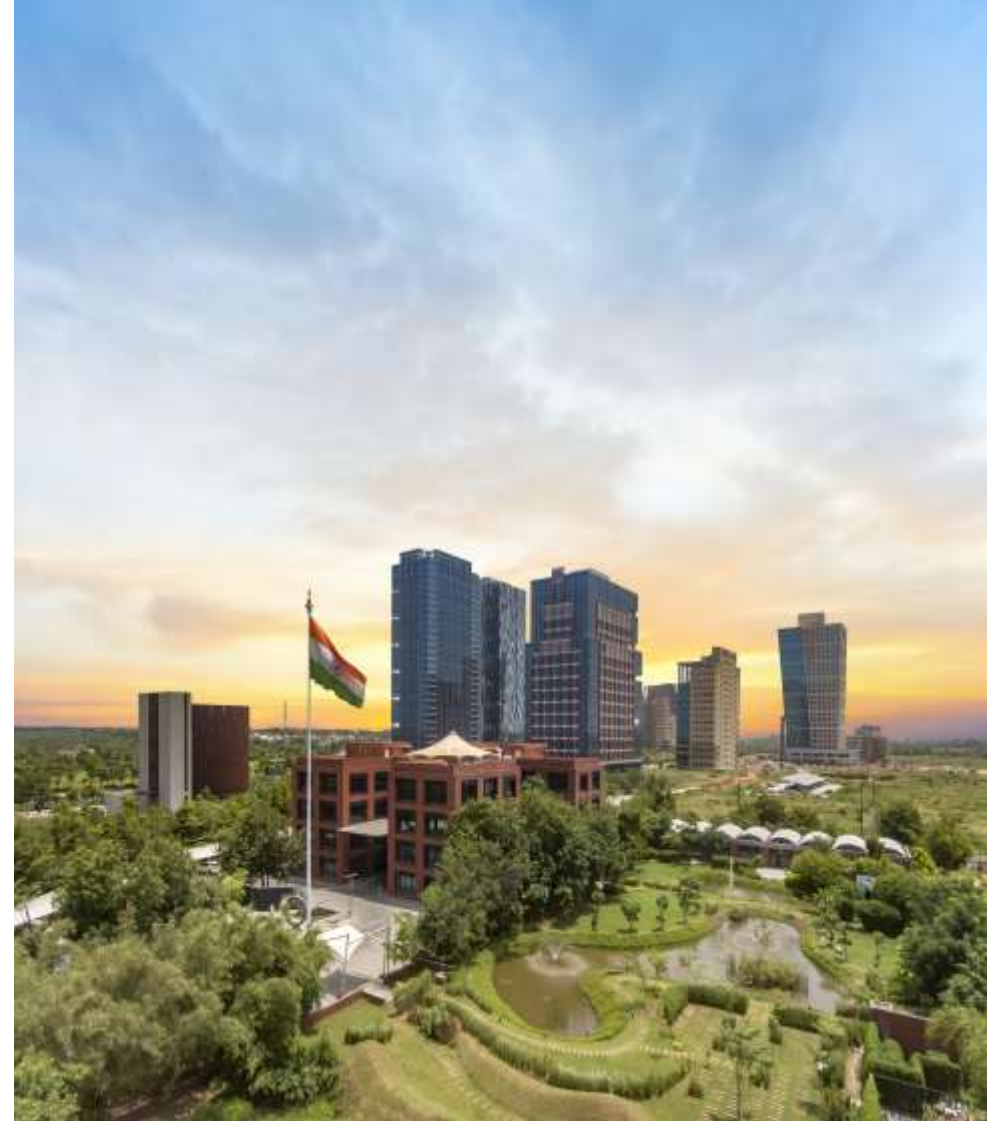
Competitive Tax Regime for Funds

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

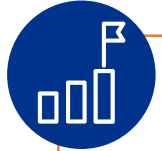
- International Bullion Exchange
- Finance Companies (6)
- Global Treasury Centre (3)
- ITFS Platform (4)
- Aircraft Leasing & Financing (32)
- Ship Leasing & Financing (21)

## 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 Ship Leasing in IFSC

- ❑ Ship leasing is regulated under IFSCA (Finance Company) Regulation, 2021, and entities are allowed to register as a ship lessor under 'Framework for Ship Leasing'.
- ❑ As per the Framework the definition of 'ocean vessels' include every description of water- craft used or capable of being used in the marine environment including ship, boat, sailing vessel, submersible, semi-submersible, hydrofoils, non-displacement crafts, amphibious crafts, mobile offshore drilling units among others, but does not include fishing or sailing watercraft.

## ❑ MODE OF BUSINESS:

- Ship leasing entity can be set up as a Company or an LLP or a Trust or a Branch of an entity regulated by a financial sector regulator 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 ship lessor is permitted to share office space or manpower or both with another Ship lessor being a group entity.



# Key Provisions of the Framework for Ship Leasing in IFSC:

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## ❑ 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 ship lease;
- Voyage charters, Contracts of Affreightments, employment in shipping pools, and all other legal commercial transactions for employment of ships;
- 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;

## ❑ 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.

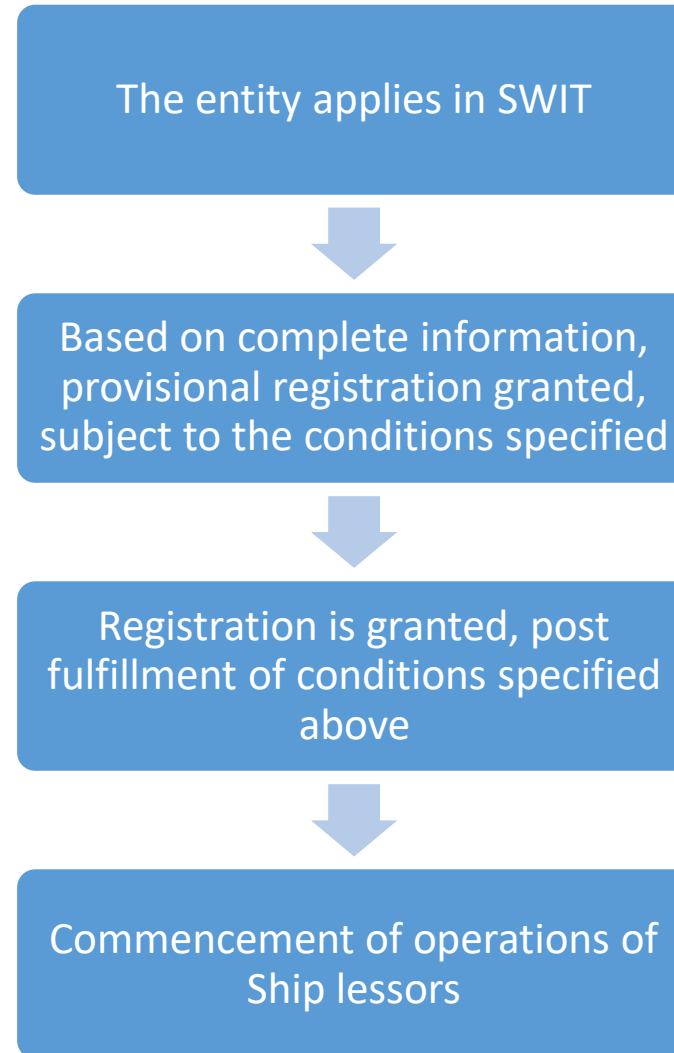
## ❑ CURRENCY:

- 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 a Ship leasing Entity in IFSC

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THANK YOU