



CIRCULAR

F. No. 172/IFSCA/Finance Company Regulations/2024-25/02

February 26, 2025

To,

All Finance Company / Finance Unit registered in the International Financial Services Centres (IFSCs)

Subject: Amendment to the 'Framework for Aircraft Lease' with regard to transactions with person (s) resident in India.

1. Reference is drawn to the International Financial Services Centres Authority (Finance Company) Regulations, 2021 (FC Regulations) and the 'Framework for Aircraft Lease' (AL framework) issued thereunder vide Circular No. 172/IFSCA/Finance Company Regulations/2022-23/01, dated May 18, 2022.
2. In order to enable purchase of assets covered by the AL framework by a Lessor in IFSC from the manufacturers of such assets in India, it has been decided to carry out the following amendments in the AL framework.
3. The Clause O.2. of the AL framework to be replaced with the following:
"O.2. Transactions with person(s) resident in India:
 - (a) No Lessor shall purchase, lease or otherwise acquire ("acquiring") any asset(s) covered under this framework ("assets") from person(s) resident in India, where post-acquisition, the asset will be operated or used solely by person(s) resident in India or to provide services to person(s) resident in India;
 - (b) The restrictions in clause (a) above shall not apply where:
 - (i) acquiring by the Lessor is from such person(s) who is **not** a 'Group Entity' of the Lessor, or;
 - (ii) acquiring by a Lessor is as a part of sale and leaseback arrangement of such asset(s) which are being imported into India for the first time, or;
 - (iii) such asset(s) is acquired by the Lessor from a manufacturer of such asset(s) in India.



4. This circular is issued in exercise of powers conferred by section 12 and 13 of the IFSCA Act 2019, to develop and regulate the financial products, financial services and financial institutions in the IFSCs and the amendments to the AL Framework shall come into force with immediate effect.
5. The updated AL framework, incorporating the above-mentioned changes can be accessed at www.ifsc.gov.in
6. A copy of this circular is available on the website of the IFSCA at www.ifsc.gov.in/circular.

Yours faithfully,

Riddhi Bhandari
General Manager
riddhi.bhandari@ifsc.gov.in