

The background of the slide is a photograph of an offshore oil rig and a supply ship on the ocean at sunset. The rig is on the right, with its derrick and cranes silhouetted against the bright, low sun. A supply ship is visible in the middle ground to the left of the rig. The sky is filled with soft, wispy clouds, and the water reflects the golden light of the setting sun. A decorative graphic consisting of a yellow and orange gradient border is on the left side, framing the text.

Consultation Paper - Framework for Leasing Activity in the IFSC

August 2026

01

GIFT City & IFSC –
An overview

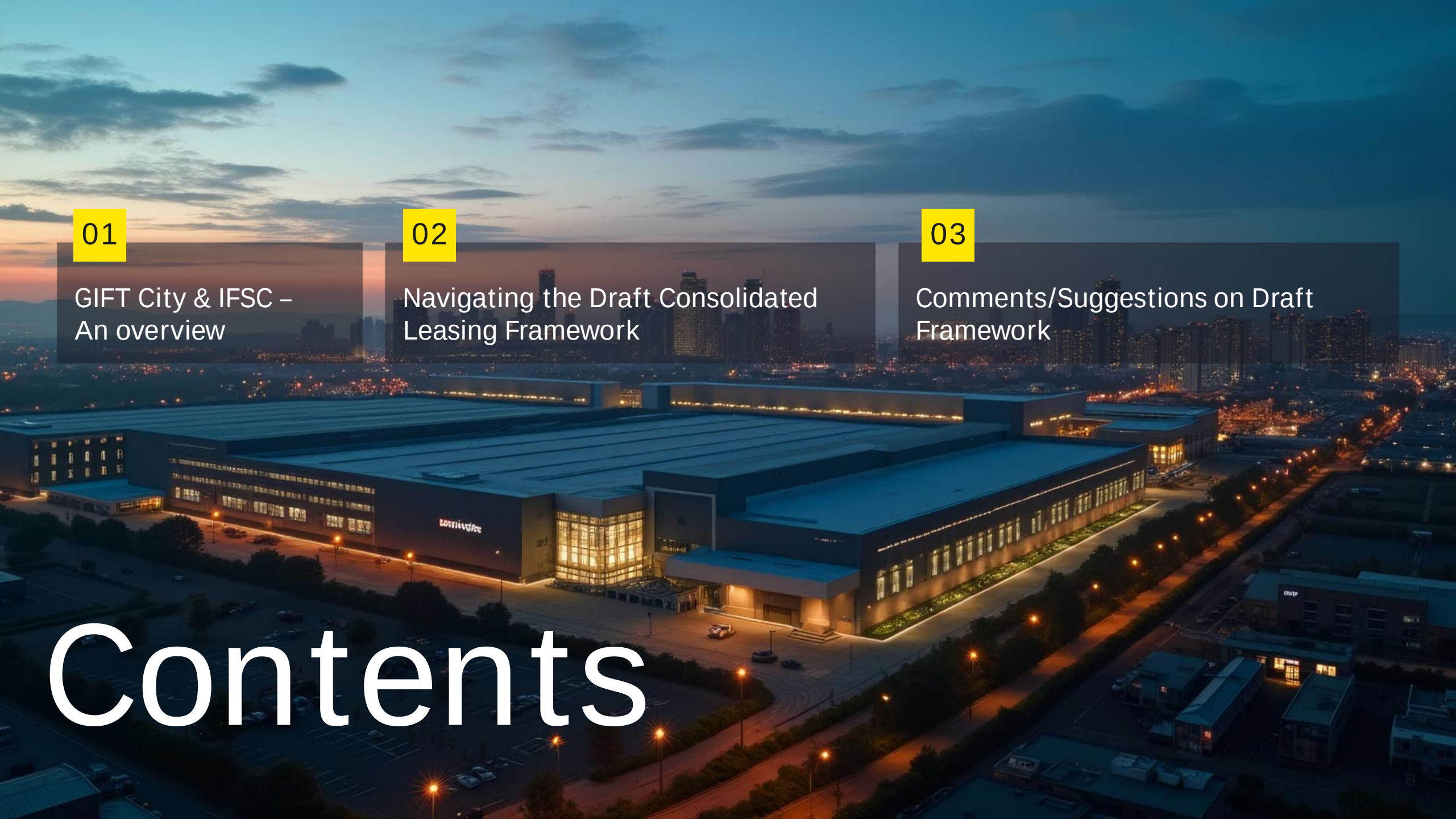
02

Navigating the Draft Consolidated
Leasing Framework

03

Comments/Suggestions on Draft
Framework

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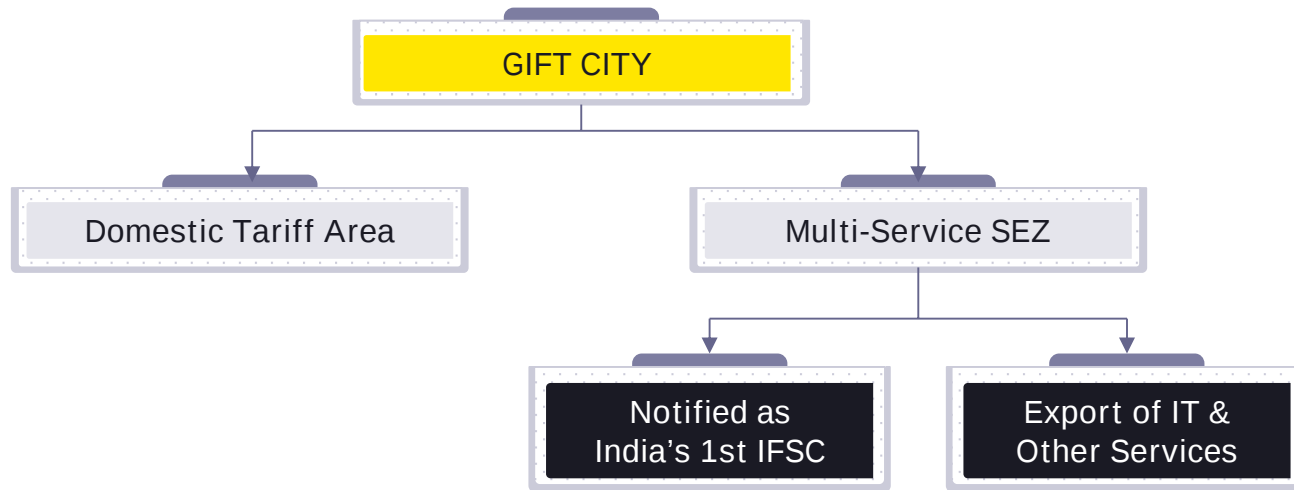
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GIFT City & IFSC – An overview





GIFT City and IFSC



- Gujarat International Finance Tec-City (GIFT City) is greenfield smart city located in the state of Gujarat
- India's first International Financial Services Centre (IFSC), platform for inbound and outbound investments.
- IFSC registered units are considered as non-resident from Indian exchange control perspective
- Powers of four sectoral regulators namely RBI, SEBI, IRDAI & PFRDA has been vested with IFSCA

Key features of GIFT IFSC

Global benchmarking

Considered by Global Financial Centres Index as one of the top 15 centres

Connectivity

Strategically located between twin cities – Ahmedabad and Gandhinagar

Ease of doing business

Conducive regulatory environment

Integrated Development

62 Million Sq. Feet of office, residential and social space

Central Business Hub

High-Rise district with Vertical development

State of the Art Infrastructure

Next generation urban planning and ICT infrastructure

→ Permissible Activities/ Products in IFSC



Banks

- Indian banks
- Foreign banks

Insurance

- Indian Insurer
- Indian Reinsurer
- Insurance Intermediaries
- Foreign Insurer / Reinsurer

Asset management

- Alternate Investment Fund
- Investment Advisers
- Portfolio Manager
- Fund Management entity
- Custodial Services
- Trust Services
- Wealth Management

Capital market

- Stock Exchanges
- International Bullion Exchange
- Clearing Corporation
- Depository
- Brokers
- Distributor
- Direct Listing of Indian Public Companies
- Listing by foreign companies

Emerging Activities

Finance Companies

- Aircraft / Ship Leasing & Financing
- Oilfield Equipment Leasing – notified in Jan 2026
- Global Corporate Treasury Centre
- Trade finance

Others

- Global Fintech Hub
- Fintech /TechFin
- Global in-house Centres/Ancillary Services
- Bookkeeping, Accounting, Taxation, etc
- Foreign Universities
- Payment Services
- Holding company structures
- Credit Rating agencies
- International Trade Finance Services
- Law Firm

Leasing ecosystem consolidated into one framework



Existing Leasing Products in IFSC



35* Aircraft lessors

Leased 373* assets

Substantial increase in leased assets



36* Ship lessors

Leased 37* assets

Total assets leased has doubled over one year period

Aircraft and ship leasing frameworks have now been merged into a consolidated Framework for Leasing activities in IFSC

The existing framework and the circulars issued thereunder would be superseded on issuance of final framework

*As on 31 March 2026

*Source: IFSCA Bulletin

IFSC – Key Direct Tax benefits / incentives



01

Tax Holiday to IFSC unit

- Tax holiday for 20 consecutive years out of first 25 years of operation. In other years, tax rate @15%.
- Payment of interest to NR is tax free

02

Concessional MAT rate

- Concessional MAT / AMT @9% applicable to non-concessional regime
- MAT not applicable, if opted for concessional tax regime

03

Additional benefits available to NR for Ships & Aircrafts leasing business

- Royalty to NR is exempt (but not for Oil & Gas vessels used for E&P operations)
- Dividends to NR at 10%
- Capital Gains on transfer of shares by NR exempt from tax

Currently the additional benefits (except concessional dividend tax rate) are not available for Oilfield Equipment as per the Act.

Representations can be made for extending the benefits to Oilfield Equipment

IFSC – Key Indirect Tax benefits / incentives



01

Customs

- Import of goods for authorised operations by IFSC Co is exempt from Basic Customs Duty

02

GST

- No IGST on value of goods imported for authorised operations by IFSC Co
- Lease rental payments to Non resident will not attract GST under reverse charge on the IFSC Co
- Leasing of goods from IFSC to DTA will attract GST on forward charge basis. DTA unit can avail Input Tax Credit subject to restrictions, if any

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“ Navigating the Draft Consolidated Leasing Framework ”





Key Highlights of the Draft Consolidated Leasing Framework



01

- Enables leasing of Oilfield Equipment as referred in Annexure
- Annexure to draft framework provides list of eligible products

02

- Enables SPV Structure to hold specific assets
- Specific asset acquisition cost - USD 10 mn or above per asset
- Arrangement with TCSP

03

Leasing activities w.r.t. eligible products to include

- Operating lease
- Financial lease, including hybrid of operating and financial lease

04

Incidental activities to include

- Voyage charters, contract of affreightments, employment in shipping pools.
- Sale and lease back, purchase, novation, transfer, assignment.
- Any other approved services

05

Legal Form to include

- Company
- Branch of a company incorporated outside IFSC
- LLP or Trust, only in case operating lease



Eligibility of an applicant/ lessor



Infrastructure Readiness

Set up necessary infrastructure including adequate office space, equipment and communication facilities

Personnel Requirement

Employ at least two qualified personnel based in IFSC

Regulatory Track Record

Not been refused a license or registration by the Authority within one year immediately preceding the date of application

FATF Compliance

- Applicant, promoters, and beneficial owners must originate from FATF-compliant jurisdictions
- Entities linked to FATF high-risk jurisdictions are not eligible
- Intended to strengthen AML/CFT compliance and regulatory integrity

Fit & Proper Criteria

- Applies to directors, KMPs, controlling shareholders and other key persons
- Requires integrity, good reputation, ethical conduct and financial soundness
- Excludes persons subject to regulatory actions, economic offence convictions, insolvency or wilful default

Owned Fund Criteria

Capital Requirements under IFSCA (Finance Company) Regulations, 2021

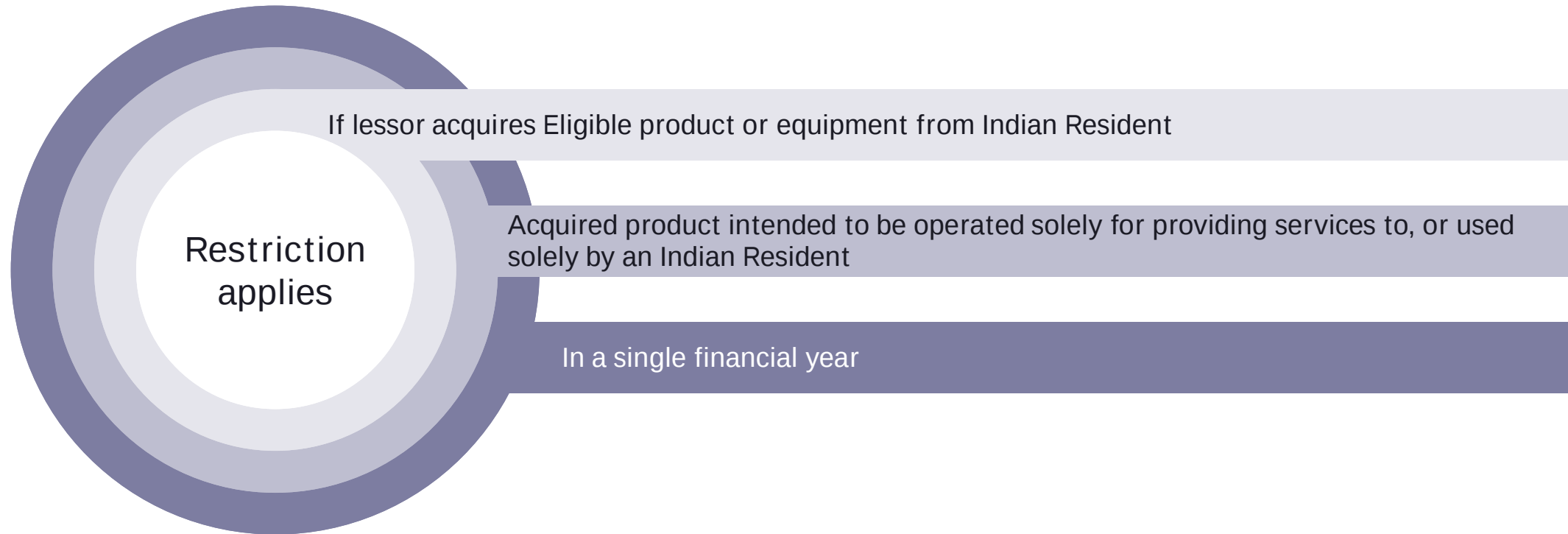
- Non-Core Activities (Operating lease): USD 0.2 Mn
- Core Activities (Financial lease including hybrid lease): USD 3 Mn
- Leasing or financing activity undertaken by an SPV: Amount prescribed under the Companies Act, 2013

Compliance and operational requirements





Transfer of Asset – Restriction and Permitted Exceptions



The framework seeks to prevent mere domestic asset transfers into IFSC, while preserving specific permitted leasing structures such as acquisition from non-group entity, purchase from Indian manufacturer, etc



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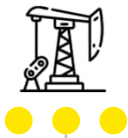
Comments/
Suggestions on
Draft Framework

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Comments/ Suggestions on Draft Framework



- The IFSCA has invited comments/ suggestions from the public on the proposed draft circular
- The comments/ suggestions are to be submitted on or before 2 September 2026

Comments/ suggestions are to be submitted in the specified format

Name, Designation of the person

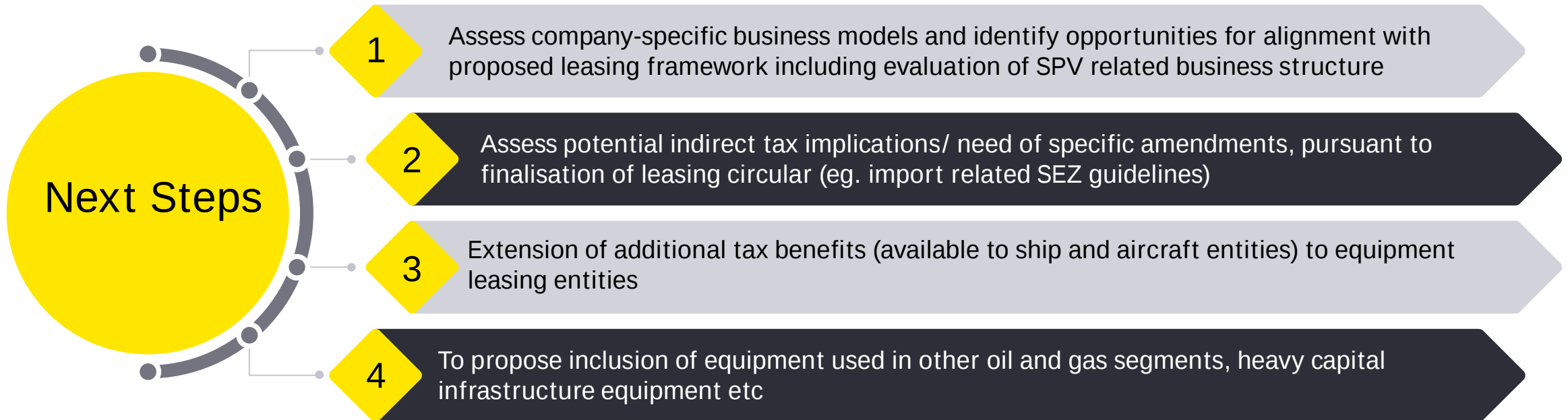
Contact No.

Name of the Organisation

S.No.	Section no. of the draft Notification	Text of the section	Comments/ suggestion/ suggested modification	Detailed rationale



Way forward





Q&A



Glossary



Abbreviation	Full Form
AML	Anti Money Laundering
BCD	Basic Customs Duty
CFT	Counter Terrorist Financing
DTA	Domestic Tariff Area
FEMA	Foreign Exchange Management Act
GIFT City	Gujarat International Finance Tec-City
GOI	Government of India
GST	Goods and Services Tax
IFSC	International Financial Services Centre
IFSCA	International Financial Services Centre Authority

Abbreviation	Full Form
IMF	International Monetary Fund
IT Act 2025	Income-tax Act 2025
NR	Non Resident
RBI	Reserve Bank of India
SEZ	Special Economic Zone
SNRR	Special Non-Resident Rupee
SPV	Special Purpose Vehicle
SWIT	Single Window IT
TCSP	Trust and Company Service Provider



Eligible product(s) or equipment



- Aircraft or helicopter and engines of aircraft or helicopter or any other part thereof;
- Aircraft Ground Support Equipment;
- Aviation training simulation device;
- Ships or Ocean Vessel, engines of Ship or Ocean Vessel, or any other part thereof;
- Oilfield Equipment



Notification Enabling Oilfield Equipment Leasing in IFSC – Jan 2026



In exercise of the powers conferred by Section 12 of the International Financial Services Centres Authority Act, 2019 (50 of 2019), read with notification number S.O. 5199(E), dated the December 14, 2021, issued by the Ministry of Finance, Government of India, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the December 14, 2021, the Authority hereby specifies operating lease, including any hybrid of operating and financial lease, in respect of “oilfield equipment” as a financial product.

Explanation- For the purpose of this notification –

- i. the expression “oilfield equipment” shall mean the goods, used in connection with an oilfield, as specified in the list annexed to the table provided in the Notification No. 3/2017-Central Tax (Rate), dated the June 28, 2017, issued by the Government of India, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), under G.S.R. 675(E).
- ii. the expression “oilfield” shall have the same meaning as assigned to it in clause (e) of section 3 of the Oilfields (Regulation and Development) Act, 1948 (53 of 1948); and

This notification shall come into force on the date of publication in the Official Gazette.

Draft Consolidated Framework introducing Oilfield for Leasing Activity in IFSC issued on 13 August 2026



List of goods notified under GST notification no. 3/2017 referred to as Oilfield Equipment

1 / 2



S. No.	Description of goods
1	Land Seismic Survey Equipment and accessories, requisite vehicles including those for carrying the equipment, seismic survey vessels, global positioning system and accessories, and other materials required for seismic work or other types of Geophysical and Geochemical surveys for onshore and offshore activities
2	All types of drilling rigs, jackup rigs, submersible rigs, semi-submersible rigs, drill ships, drilling barges, shot-hole drilling rigs, mobile rigs, workover rigs consisting of various equipment and other drilling equipment required for drilling operations, snubbing units, hydraulic workover units, self-elevating workover platforms, Remote Operated Vessel (ROV).
3	Helicopters including assemblies/parts.
4	All types of marine vessels to support petroleum operations including work boats, barges, crew boats, tugs, anchor handling vessels, lay barges and supply boats, marine ship equipment including water maker, DP system and Diving system.
5	All types of equipment/ units for specialised services like diving, cementing, logging, casing repair, production testing, simulation and mud services, oil field related lab equipment, reservoir engineering, geological equipment, directional drilling, stimulation, Coil Tubing units, Drill Stem Testing (DST), data acquisition and processing, solids control, fishing (as related to downhole retrieval in oil field operations or coal bed methane operations), well control, blowout prevention(BOP), pipe inspection including Non Destructive Testing, coring, gravel pack, well completion and workover for oil/gas/CBM wells including wireline and downhole equipment
6	All types of casing pipes, drill pipes, production tubing, pup joints, connections, coupling, kelly, cross overs and swages, Drive Pipes
7	All types of drilling bits, including nozzles, breakers and related tools
8	All types of oil field chemicals or coal bed methane chemicals including synthetic products used in petroleum or coal bed methane operations, oil well cement and cement additives, required for drilling, production and transportation of oil or gas.
9	Process, production and well platforms/ installation for oil, gas or CBM and water injection including items forming part of the platforms/ installation and equipment required like process equipment, turbines, pumps, generators, compressors, primemovers, water makers, filters and filtering equipment, telemetry, telecommunication, tele-control and other material required for platforms/ installations
10	Line pipes for flow lines and trunk pipelines including weight-coating and wrapping



List of goods notified under GST notification no. 3/2017 referred to as Oilfield Equipment

2/2



S. No.	Description of goods
11	Derrick barges, Mobile and stationary cranes, trenchers, pipelay barges, cargo barges and the like required in the construction/ installation of platforms and laying of pipelines
12	Single buoy mooring systems, mooring ropes, fittings like chains, shackles, couplings marine hoses and oil tankers to be used for oil storage and connected equipment, Tanks used for storage of oil, condensate, coal bed methane, water, mud, chemicals and related materials
13	All types of fully equipped vessels and other units/ equipment required for pollution control, fire prevention, fire fighting, safety items like Survival Craft, Life Raft, fire and gas detection equipment, including H2S monitoring equipment.
14	Mobile and skid mounted pipe laying, pipe testing and pipe inspection equipment
15	All types of valves including high pressure valves
16	Communication equipment required for petroleum or coal bed methane operations including synthesized VHF Aero and VHF multi channel sets/ VHF marine multi channel sets
17	Non-directional radio beacons, intrinsically safe walkie-talkies, directional finders, EPIRV, electronic individual security devices including electronic access control system
18	Specialized antenna system, simplex telex over radio terminals, channel micro wave systems, test and measurement equipment
19	X-band radar transponders, area surveillance system
20	Common depth point (CDP) cable, logging cable, connectors, geo-phone strings, perforation equipment and explosives
21	Wellhead and Christmas trees, including valves, chokes, heads spools, hangers and actuators, flexible connections like chicksons and high pressure hoses, shut down panels
22	Cathodic Protection Systems including anodes
23	Technical drawings, maps, literature, data tapes, Operational and Maintenance Manuals required for petroleum or coal bed methane operations
24	Sub-assemblies, tools, accessories, stores, spares, materials, supplies, consumables for running, repairing or maintenance of the goods specified in this List