

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
Rajya Sabha**

**UNSTARRED QUESTION NO. : 174**

**TO BE ANSWERED ON THE 3<sup>rd</sup> February 2021**

**STATUS OF AIRCRAFT LEASING FINANCIAL ACTIVITY**

**174. SHRI B. LINGAIAH YADAV**

**Will the Minister of CIVIL AVIATION be pleased to state:-**

- (a) whether Government made progress in aircraft leasing financing activity and also worked out global in-house-centres; and**
- (b) if so, the details thereof?**

**ANSWER**

**Minister of State (IC) in the Ministry of CIVIL AVIATION (Shri Hardeep Singh Puri)**

**(a): Yes, Sir.**

**(b): The essential elements of the roadmap to put in place the necessary ecosystem for aircraft leasing and financing in India developed by Ministry of Civil Aviation have been implemented. These include various tax and non-tax measures towards encouragement in setting up leasing units in and undertaking of globally competitive operations from the International Financial Services Centres (IFSCs) in India by Indian entrepreneurs and foreign providers of aircraft leasing services in conjunction with Indian and foreign carriers.**

**Notable measures include (i) exemption from corporate tax for a block period of 10 years within the first 15 years for leasing units, (ii) exemption from Stamp Duty on documents for such transactions carried out from IFSC at GIFT-City, (iii) enactment of the International Financial Services Centres Authority Act (IFSCA) providing for a Unified Regulator for the IFSC in India, followed by the announcement of the Unified Regulator for IFSC, (iv) notification of "aircraft lease" as a financial product, (v) permission to insurance companies to undertake aircraft insurance and invest in leasing and financing business, (vi) enabling pension funds and alternate investment funds to participate in aircraft financing, (vii) enabling re-leasing of aircraft and engines within India at the end of expiry or termination of an existing lease without physical re-export of aircraft, and (viii) granting waivers from Importer Exporter Code (IEC) and from General Remittances (GR) for overseas lessors and financiers. On 16 December 2020, IFSCA has already issued a consultation paper on the proposed IFSCA (Aircraft Leasing) regulations inviting public comments.**

**Further, the Central Government has notified Global in-House Centers as financial service to provide services relating to financial products and financial services. IFSCA has also notified regulations in November 2020 to provide a framework for the recognition and operation of Global in-House Centers.**

**\*\*\*\*\***