

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1763
(TO BE ANSWERED ON THE 4th August 2021)

ENCOURAGEMENT TO AIRCRAFT LEASING COMPANIES

1763. SHRI SANJAY RAUT

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

- (a) whether Government is considering to encourage aircraft leasing companies to set up base in the country to benefit aviation sector; and
(b) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a) and (b) The Government has taken several steps to encourage aircraft leasing companies to set up base in the country to benefit the aviation sector, which include:

- i. The International Financial Services Centres Authority (IFSCA) has been established on 27 April, 2020 under the International Financial Services Centres Authority Act, 2019 at GIFT City, Gandhinagar in Gujarat.
- ii. Aircraft and engine leasing and financing has been notified by the Government of India as a financial product.
- iii. Global in-House Centres (GIC) have been notified as financial service to provide services relating to financial products and financial services.
- iv. Government of Gujarat has exempted Stamp Duty on transactions related to aircraft financing and leasing carried out from IFSC at GIFT-City Special Economic Zone (SEZ).
- v. New tax regime introduced w.e.f. 1 April 2020, makes Minimum Alternate Tax (MAT) inapplicable to domestic companies. Similarly, MAT provisions would not apply to units in the IFSC.
- vi. Exemption has been provided from corporate tax for a block-period of 10 years within the first 15 years for leasing units.
