

Ship Leasing – Regulatory and Tax Framework in IFSC

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Background - GIFT IFSC

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Free Trade Zone

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Dealings in Freely Convertible Foreign Currency

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IFSCA – Unified Authority

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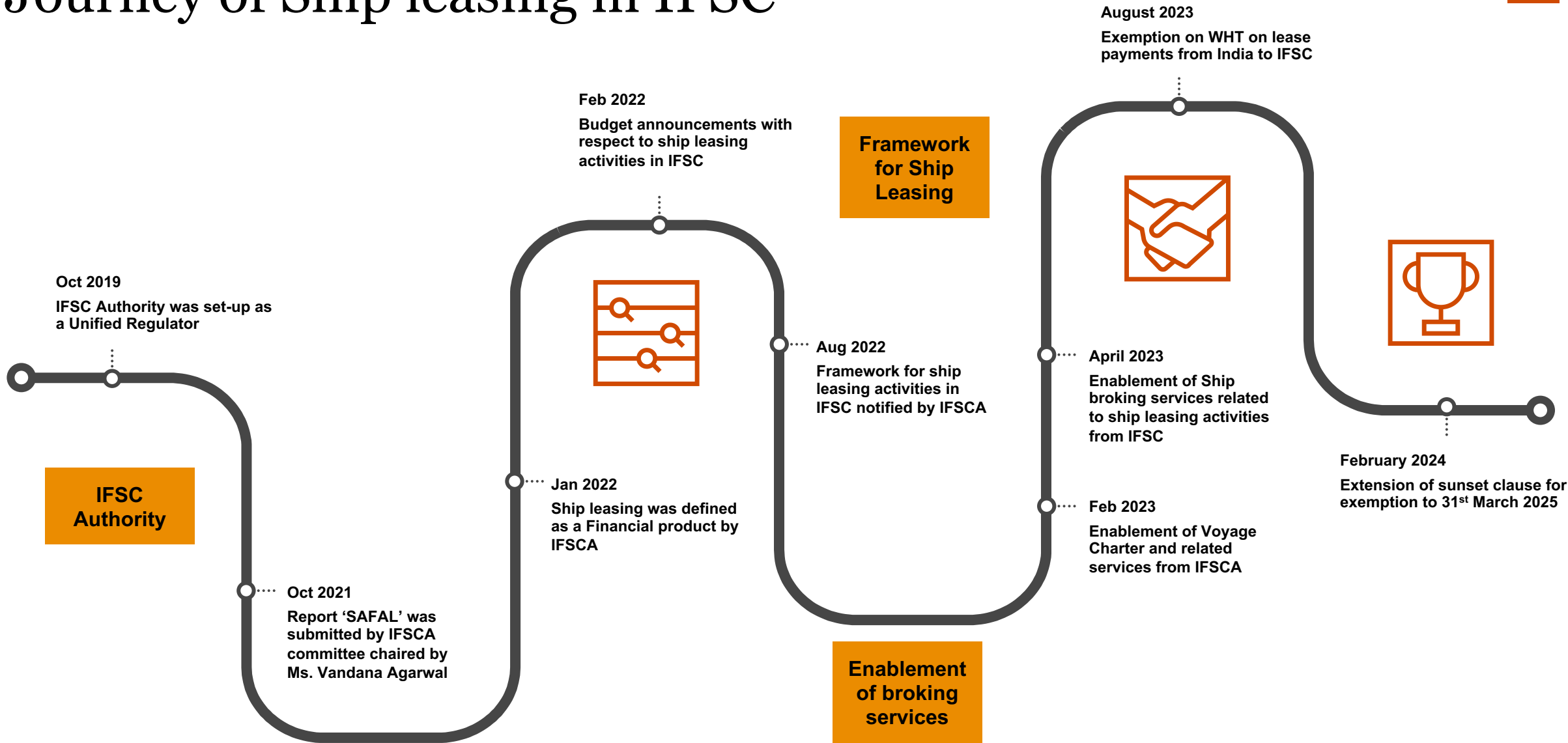
IFSC Unit - treated as a 'non-resident' under Indian exchange control regulations

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IFSC Unit - treated as a 'resident' for tax purposes



Journey of Ship leasing in IFSC



Ship Leasing Framework

Operating lease

- Operating lease including sale and leaseback, purchase, novation, transfer, assignment, and 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 entity or by group entities
- Any other related activity with the prior approval of the IFSCA.

Financial lease

- Financial lease or a hybrid of a financial and operating lease;
- Permitted activities under the Ship Operating Lease framework;
- Any other related activity with the prior approval of the IFSCA.

The provisions of Merchant Shipping Act, 1958 shall continue to apply

Ancillary Services Framework

Authorisation under Ancillary Services framework

Third Party Asset Management Support Services: Offering support services to Asset Management Companies. Providing services for maintenance of various physical assets belonging to another person / used by other person

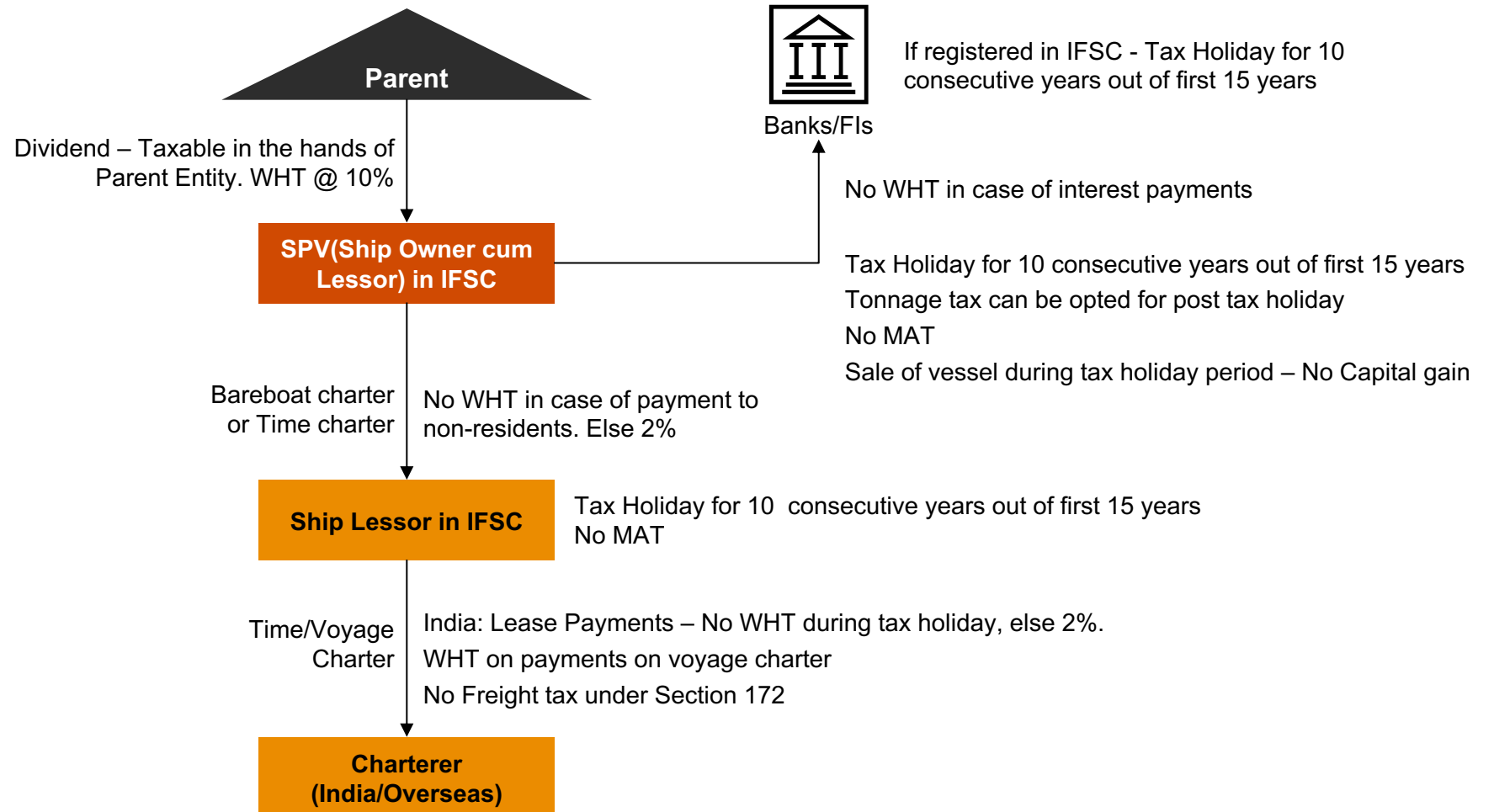
Ship Broking Services: Ship Broking for permitted activities under "IFSCA Framework for Ship Leasing"

Legal Services: Legal Documentation and Advisory services

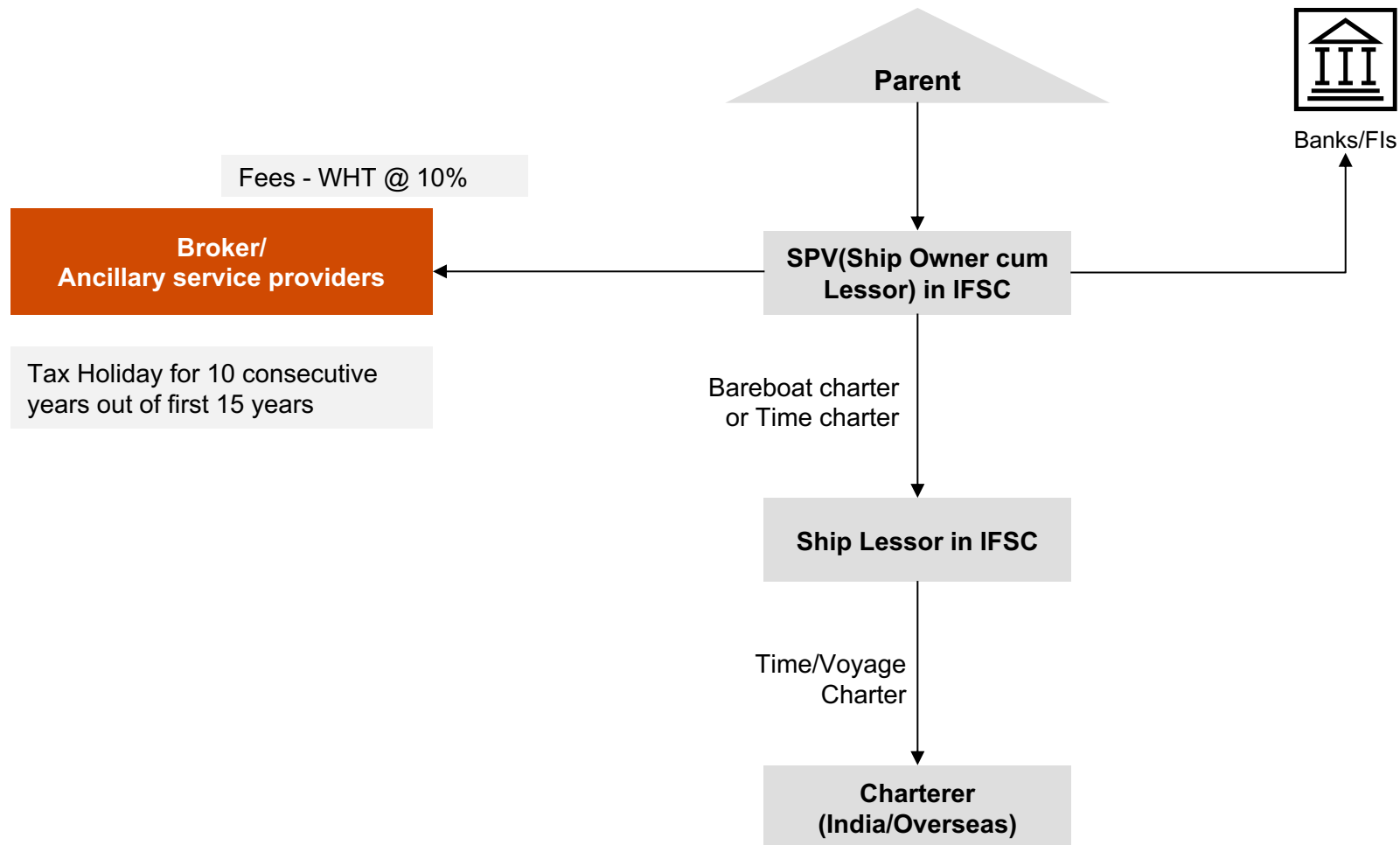
Eligible service recipients

- Entity(ies) set up in the IFSC;
- Entities from foreign jurisdictions for various permissible ancillary services in the IFSCs in India or overseas;
- Indian entities who propose to open, set up or carry out operations in IFSCs or foreign jurisdiction, provided consideration is received in freely convertible foreign currency

Tax Framework for Shipping in IFSC



Tax Framework for Ancillary Services in IFSC





Thank you

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