



CIRCULAR

F. No 496/IFSCA/FC/SLF/2024-25/001

May 08, 2024

To,

All Finance Companies registered with the International Financial Services Centres Authority for undertaking ship leasing activity

Subject: Additional requirements for carrying out the permissible activities by Finance Company as a Lessor under 'Framework for Ship Leasing'

Reference is drawn to the International Financial Services Centres Authority (Finance Company) Regulations, 2021 ('FC Regulations') and the 'Framework for Ship Leasing' ('SL Framework') issued thereunder vide Circular No. 496/IFSCA/FC/SLF/2022-23/001 dated August 16, 2022, as amended from time to time.

2. In furtherance to the above, it is hereby specified that an applicant under the SL Framework or a lessor, who has obtained a Certificate of Registration (CoR) under regulation 3 of the FC Regulations, shall not undertake transactions which involves transfer, in any form, of the ownership and / or leasehold right of a ship or ocean vessel from a person resident in India (as defined in clause v of section 2 of the Foreign Exchange Management Act, 1999) to an entity set up in the International Financial Services Centre ('IFSC'), for the purpose of providing services *solely* to person resident in India.

Provided that, the said applicant or lessor, may acquire a new ship or ocean vessel or enter into a new leasehold right contract with person resident outside India (as defined in clause w of section 2 of the Foreign Exchange Management Act, 1999) so as to cater to person resident in India.

3. This circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019, read with regulation 10 of the FC Regulations and sub-clause Q of clause 3 of the SL Framework, and shall come into force with immediate effect.

4. A copy of this Circular is available on the website of the Authority at www.ifsc.gov.in/circular.

Yours faithfully

Riddhi Bhandari
(General Manager)
Department of Banking