

INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES
[ISSN 2581-5369]

Volume 8 | Issue 3
2025

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GIFT City: A New Tax Haven for the Aviation, Marine, and Space Sectors – Legal and Regulatory Insights

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ABSTRACT

This study examines into the establishment of India's first International Financial Services Centre (IFSC) and the tax incentives that are offered to the foreign corporations and its growth as financial hub in India. This research paper also examines into the tax benefits such as corporate tax regime (CAT), Minimum Alternate Tax (MAT), Capital Gain Tax (CGT), Securities Transaction Tax (STT), Goods and Service Tax (GST) Commodities Transaction Tax (CTT) and stamp duty. This research paper is also going to highlight about the tax incentives given for Aviation, marine and aerospace sectors and its legal frameworks and regulatory organisations such as International Civil Aviation Organization (ICAO) for Aviation sector and for maritime sector such as International Maritime Organization (IMO), for space sector the organization such as Indian Space Research Organisation (ISRO), Department of Space (Dos) and its economic policies that led to rapid impact on its growth. Furthermore it also deals with the licensing and registration requirements that are required for the aviation sector, maritime industry and space sector. This article is thoroughly investigates about a Double Taxation Avoidance Agreement this agreement is acting as a tax relief in one country. It also looks over the governing bodies of the GIFT city such as (IFSC) and Special Economic Zone (SEZ). On the whole this article gives an overview about the tax reliefs offered by GIFT city and its growth as finance hub along with future initiative's needed to be taken by the government for the development of financial hub in Gujarat.

Keywords: GIFT city, IFSC, Capital gain tax, ICAO, DTAA, MAT, GST, CTT

I. INTRODUCTION

Overview of GIFT City and its emergence as a financial hub.

GIFT City, perceived as India's first International Financial Services Centre (IFSC), was commenced in 2015 with the aim of boost up the nation's world financial linkages and it lays the foundations of a competitive commercial and legal environment. Since its foundation,

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numerous Indian banking institutions have inaugurated branches, succeeded by the entrance of foreign banks in 2020, thereby enriching expansion within the financial ecosystem. The National Stock Exchange (NSE) and the Bombay stock exchange (BSE) received recognition in 2016 to enhance activities within the capital markets. In 2020, the government instituted the International Financial Services Centers Authority (IFSCA) in order to mandate and regulate and develop the financial landscape of GIFT City. Moreover, in the 29th edition of the Global Financial Centre Index (GFCI) published in March 2021, GIFT IFSC accomplished a ranking within the top 15 emerging financial centers. This investigation has been formulated to propose strategies aimed at accelerate GIFT City's progression towards its progression into an International Financial Services Centre (IFSC).³

II. IMPORTANCE OF THE AVIATION, MARINE, AND SPACE SECTORS IN THE GLOBAL ECONOMY

The aviation industry is a major driver of economic growth and accounts for a third of the total value of trade carried by air, as aviation is a major carrier of international trade throughout the world. The aviation industry generates 87.7 million jobs around the world it plays an active role in the industry itself in civil aerospace and it offer wide range of air navigation services at airports. Moreover through aviation industry the revenue that was generated in the country was around \$3.5 trillion (4.1%) of the world's gross domestic product (GDP). By GDP, aviation would be the seventeenth largest nation if it were a nation. That is equivalent to both the GDPs of the Netherlands and Indonesia.⁴

Whereas Gujarat International Finance Tec-City (“GIFT City”) operates as a special economic zone (SEZ), which offers various tax incentives to businesses and investors as well as it operates as an tax incentives for both the businesses and investors it also designates as an International Financial Services Centre (“IFSC”), provides a healthy environment for the banks, financial institutions, insurance companies and other financial services operates globally.⁵

Within the explosion of aviation industry in India the Government of India initiated with the

³ A Deep Dive into GIFT City – The Challenges and Opportunities Around Developing a New Financial Centre in India’ (8 January 2024) <www.hubbis.com/article/a-deep-dive-into-gift-city-the-challenges-and-opportunities-around-developing-a-new-financial-centre-in-india> accessed 11 October 2024.

⁴ ‘GIFT City explained: History & tax incentives of India’s first ‘Smart City’ (The Hindu, 29 August 2022) <www.thehindu.com/business/gift-city-explained-history-tax-incentives-of-indias-first-smart-city/article65736969.ece> accessed 11 October 2024.

⁵ Libin Chacko Kurian, ‘Is GIFT City enough to make India aircraft leasing, financing hub? No, it's not!’ (STAT Times | Leading Source for World Air Cargo News & Trends, 3 October 2022) <www.stattimes.com/aviation/is-gift-city-enough-to-make-india-aircraft-leasing-financing-hub-no-its-not-1346631> accessed 11 October 2024.

view of facilitating the aircraft leasing as the financial product under section 3(1) (d) of the international financial services centre act 2019, which offers numerous tax incentives to financial lessors in other countries in order to set up the special purpose vehicles at the special economic zone (SEZ), of (GIFT City)⁶

A. Numerous taxation incentives offered in GIFT City for Aviation industry

Direct tax benefits

1. Corporate Tax Rate: International Financial Services Centre (“IFSC”) units, which includes financial units and aircraft leasing mechanisms it avails 100% reduction from income for any of 10 successive assessment years within their operation of 15 years;⁷
2. Post tax subsidy for 22% (plus applicable surcharge and cess) for national companies that opted to forego certain reductions with an anomaly of deductions that are available to IFSC;⁸
1. Moreover no basic custom duty (a tax or tariff imposed on goods when they are transported across international borders) on an import of mercantile aircraft by a GIFT City entity;⁹
2. Depreciation can claim by Aircraft and aircraft engines used in the IFSC at the rate of 40%;¹⁰
3. Furthermore no goods and services tax (**GST**) on aircraft leased or rented into a GIFT City entity or the services that are received by a GIFT City entity provided, but, that rate of 5% GST is payable on any running or operating lease rentals received by the GIFT City entity from an Indian aircraft based outside of GIFT City in a national tariff area.¹¹
4. A cent percent exemption from the stamp duty for aircraft leasing organisations on all its activities relating to establishment of GIFT City entity, it includes acquisition of

⁶ “Aircraft leasing and financing through India’s Gift City – an analysis, Sarin & Co. Available at: <https://sarinlaw.com/aircraft-leasing-and-financing-through-indias-gift-city-an-analysis/> (Accessed: 11 October 2024).

⁷ ‘A Smart Investor’s Roadmap to Financial Benefits of GIFT City’ (*DevX*) <<https://devx.work/blog/financial-benefits-in-gift-city>> accessed 13 October 2024.

⁸ ‘GIFT City A Gift for Aircraft Lessors | Publications | Vedder Thinking | Vedder Price’ (A Business Focused Law Firm With a Global Reach | Vedder Price, 14 December 2023) <www.vedderprice.com/gift-city-a-gift-for-aircraft-lessors> accessed 12 October 2024.

⁹ ‘Aircraft Leasing Policy & Standards’ (IATA - Home) <www.iata.org/en/programs/ops-infra/techops/aircraft-leasing/> accessed 15 October 2024.

¹⁰ ‘Framework for Aircraft Lease’ (International Financial Services Centres Authority) <<https://ifsc.gov.in/Document/Legal/framework-for-aircraft-lease16112023074417.pdf>> accessed 15 October 2024.

¹¹ International Financial Services Centres Authority of India’ (International Financial Services Centres Authority) <www.ifsc.gov.in/> accessed 15 October 2024.

aircraft ,initiated from august 2020 for next 10 years ;¹²

5. Minimum Alternate Tax (MAT): For International Financial Services Centre (“IFSC”) units with income utterly in foreign exchange with the Minimum Alternate Tax (MAT) rate is 9%, by offering a significant savings compared to other national companies ;¹³
6. Overseas lessor or non - resident lessor enjoy the tax relief on income on interest or royalty from leasing aircraft to the International Financial Services Centre(IFSC’s) aircraft leasing unit, given unit commencement by 31 March 2025.¹⁴

Indirect tax benefits:

1. Ship in or Import of aircraft or aircraft engines into the International Financial Services centre IFSC is not amount to the basic custom duty (“**BCD**”). But in spite of that such aircraft or aircraft engines must land in SEZ for such dispensation to apply.¹⁵
2. Leasing of aircraft or renting an aircraft or aircraft engines by the unit in the IFSC to an operator will amount to Integrated Goods and Services Tax (“**IGST**”) under forward charge at the rate of 5% on lease rental payments.¹⁶

B. An Overview: Maritime Leasing in GIFT IFSC

Till October 2023, India stands 16th position in the world list of the largest maritime countries, bragging a coastline speed across 7,517 km and featuring 205 minor sea ports. In spite of an enabling landscape, national companies continue to collaborate with overseas company for freight agreements, in an attempt to transport or to ship their cargo. Universally, ship leasing is to be considered as a popular trading tool and is influenced across the manifold segments of the maritime industry .It includes bulk tankers, containers etc. ¹⁷

There are numerous potential benefits for ship leasing companies looking to lay the foundations in GIFT city, some of these are:

¹² ‘Aircraft leasing in IFSC’ (Vinod Kothari Consultants – Financial Consultants) <<https://vinodkothari.com/wp-content/uploads/2023/11/Aircraft-leasing-in-IFSC.pdf>> accessed 15 October 2024.

¹³ ‘Aircraft Lease Management: Best Practices & Strategies’ (Aircraft Asset Management, Aviation Asset Management) <www.acumen.aero/aircraft-lease-management> accessed 15 October 2024.

¹⁴ ‘Aircraft Leasing’ (NBAA - National Business Aviation Association) <<https://nbaa.org/flight-department-administration/aircraft-operating-ownership-options/aircraft-leasing/>> accessed 15 October 2024.

¹⁵ Directorate General of Civil Aviation, Government of India) <www.dgca.gov.in/digigov-portal/?dynamicPage=aircraftRulesContent2Req/1/3046/viewDynamicRuleContLv12&mainnull> accessed 15 October 2024.

¹⁶ “The Benefits of Aircraft Leasing in India” (Chambers Expert Focus) <<https://chambers.com/legal-trends/a-boon-to-indian-aircraft-leasing>> accessed October 15, 2024.

¹⁷ ‘Ship leasing IN GIFT City’ (<https://api-giftgujarat-in.webpkgcache.com/doc/-/s/api.giftgujarat.in/public/downloads/ifsc/GiftCity-ShipLeasing.pdf>) <<https://api-giftgujarat-in.webpkgcache.com/doc/-/s/api.giftgujarat.in/public/downloads/ifsc/GiftCity-ShipLeasing.pdf>> accessed 15 October 2024.

1. Universally –offered standard tax incentives and liberal policies by enabling the flow of finance.¹⁸
2. Imparting an opportunity to invest in the financial products and service beyond the borders.¹⁹
3. The accessibility of an alleged or deemed foreign jurisdiction from the exchange control view, the existence of a unified regulatory mechanism.²⁰

- **Taxation Features**

- a. **Direct Tax benefits:**

Corporate tax rate (CTR) reduction:

1. A cent per cent (100%) profit linked reduction for any 10 successive years out of 15 years of its operation, at the option of the company.²¹
2. Unabsorbed depreciation [unutilized amount of depreciation] can be proceeding to the forthcoming years to be set forward against future gains or profits, without any time period.
3. Post tax abatement is befitting for national companies that are opted to relinquish certain deductions (with an exception of reductions accessible to GIFT IFSC)²²
4. Tonnage tax (It is a taxation regime that can be applied to shipping companies instead of ordinary company or corporate taxation.)²³

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT)@ 9%(plus applicable surcharge and cess) of book gains applies to a company established as a unit in GIFT IFSC- and it was not accessible to companies in GIFT IFSC opting for new tax regime.²⁴

¹⁸ “What Is Maritime (Aka Admiralty) Law, and Why Is It Important?” Investopedia (September 19, 2008) <<https://www.investopedia.com/terms/m/maritime-law.asp>> accessed October 15, 2024.

¹⁹ Mahawar S, “Maritime Law” (iPleaders, December 28, 2022) <<https://blog.iplayers.in/maritime-law-2/>> accessed October 15, 2024

²⁰ “The Principal Regulations Governing Maritime Safety” (International Chamber of Shipping) <<https://www.ics-shipping.org/shipping-fact/safety-and-regulation-the-principal-regulations-governing-maritime-safety/>> accessed October 15, 2024.

²¹ ‘GIFT City - Framework on Ship Leasing’ (<https://www.m2kadvisors.com/adminpanel/upload/Public4219108014559614799M2KAlerts-GIFT-City-Ship-Leasing.pdf>) <www.m2kadvisors.com/adminpanel/upload/Public4219108014559614799M2KAlerts-GIFT-City-Ship-Leasing.pdf> accessed 13 October 2024.

²² “Corporate Tax Overview - Meaning and Tax Rates” (Groww) <<https://groww.in/p/tax/corporate-tax>> accessed October 15, 2024.

²³ “Tonnage Tax” <<https://www.revenue.ie/en/companies-and-charities/tonnage-tax/index.aspx>> accessed October 15, 2024.

²⁴ “Minimum Alternate Tax (MAT): Eligibility, Rates, Calculation & MAT Credit” (Compare & Apply Loans & Credit Cards in India- Paisabazaar.com, August 9, 2018) <<https://www.paisabazaar.com/tax/minimum-alternate->

Withholding tax (WHT) on lease:

1. Withholding tax (WHT) @ 2% on payments exceeding INR 240,000 on lease payments paid to domestic residents.²⁵
2. There is no Withholding tax (WHT) on lease payments in the nature of royalty, paid to foreigners by units in GIFT IFSC that is operating lease rentals exempt from tax.²⁶

Capital gains on disposal of ship:

A cent per cent (100%) profit linked reduction available on capital profits or gains arising on transfer of ship or ocean vessel leased by a GIFT IFSC unit to national company.²⁷

Withholding tax (WHT) on interest payment:

WHT at applicable tax rate plus accessible surcharge and cess on interest paid to domestic residents.

b. Indirect Tax benefits:**Import of goods/ services into the GIFT IFSC:**

Ship in or import of ocean vessel into GIFT IFSC is not amount to basic custom duty (BCD) but ship or ocean vessel required to be physically brought in SEZ (special economic zone) for such exception to apply. Leasing of ocean vessel into GIFT IFSC is not amount to Integrated Goods and Services Tax (IGST), services provided are procured for authorizes operation in an SEZ.²⁸

Leasing of ocean vessel to an Indian shipping company by a unit in the GIFT IFSC

Ship in or import of ocean vessel by an Indian shipping company from an Indian lessor located in GIFT IFSC is not subject to basic custom duty (BCD), that ocean vessel is not ship in for the purpose of breaking up. Leasing of ship by a unit in GIFT IFSC to an Indian shipping company is amount to (Integrated Goods Service Tax) IGST under forward charge at the rate of 5% on

tax-mat/> accessed October 15, 2024

²⁵ “Withholding Taxes in India - India Guide ” (Doing Business in India) <<https://www.india-briefing.com/doing-business-guide/india/taxation-and-accounting/country-wise-tax-structure/withholding-taxes-in-india>> accessed October 15, 2024.

²⁶ Kagan J, “Withholding Tax Explained: Types and How It’s Calculated” Investopedia (November 19, 2003) <<https://www.investopedia.com/terms/w/withholdingtax.asp>> accessed October 15, 2024.

²⁷ Chen J, “Capital Gains: Definition, Rules, Taxes, and Asset Types” Investopedia (November 18, 2003) <<https://www.investopedia.com/terms/c/capitalgain.asp>> accessed October 15, 2024.

²⁸ ‘Gift Ifsc: Ship Leasing And Financing’ (https://ifsc.gov.in/document/Developments/IFSCA_Ship_Leasing_and_Financing.pdf) <https://ifsc.gov.in/document/Developments/IFSCA_Ship_Leasing_and_Financing.pdf> accessed 13 October 2024.

the lease payments.²⁹

C. Contribution of Space Sector to Indian Economy

India's space industry has directly contributed about \$24 billion (₹20,000) to gross domestic product over the past decade. India's space sector has benefitted from decade of continues investment, whereas \$13 billion invested in the last decade. Moreover it is the 8th largest space economy in reference to funding in the world. In recent times as the central government announced union budget for 2024-2025, India's space sector received a significant growth. Furthermore the central government announced ₹13,042.75 crore to support space-related initiatives. Additionally space sector generated 96,000 new jobs in both private sector and public sector. The major industries that are supported by the space sector were telecom 25% and administrative services for 7% and IT sector by 10%.³⁰

Taxation incentives offered in GIFT City for space sector as follows:

1. A cent per cent (100%) profit linked reduction available on capital profits or gains arising on a space sector GIFT IFSC unit to national company.³¹
2. Whereas companies are exempt from dividend distribution tax (DDT) on dividends that are declared.
3. Services that are provided to an International Financial Services Centre (IFSC), or beyond the boundaries are exempt from GST, it leads to benefit space companies engaged in international services.³²
4. A cent per cent 100% Foreign Direct Investment (FDI) is allowed in space sector with simplified processes.
5. International Financial Services Centre ("IFSC") units, which includes financial units and aircraft leasing mechanisms it avails 100% reduction from income for any of 10 successive assessment years within their operation of 15 years;³³

²⁹ Thakkar M, "Ship Leasing in GIFT IFSC: Exploring the Impact Beyond Borders" (InCorp Advisory, April 22, 2024) <<https://incorpadvisory.in/blog/ship-leasing-in-gift-ifsc/>> accessed October 15, 2024.

³⁰ Contribution of Space Sector to India's GDP - Current Affairs' (*Current Affairs - NEXT IAS*, 24 August 2024) <www.nextias.com/ca/current-affairs/24-08-2024/contribution-of-space-sector-to-indias-gdp> accessed 13 October 2024.

³¹ Chandel AS and Jain A, "India's Growing Space Sector Presses for More Tax Incentives" (May 10, 2024) <<https://news.bloombergtax.com/daily-tax-report-international/indias-growing-space-sector-presses-for-more-tax-incentives>> accessed October 19, 2024.

³² Soni CA, "Dividend Distribution Tax (DDT): Rates and Calculations" Tax2Win (June 17, 2023) <<https://tax2win.in/guide/dividend-distribution-tax-ddt-rates-and-calculations>> accessed October 15, 2024.

³³ 'What is GIFT City' (*Gift City - Get NRI Services Online in Gift City | HDFC Bank*, 27 April 2023) <www.hdfcbankgiftcity.com/gc/personal/resources/learning-centre/save/what-is-gift-city> accessed 13 October 2024.

6. Post tax subsidy for 22% (plus applicable surcharge and cess) for national companies that opted to forego certain reductions with an anomaly of deductions that are available to IFSC.³⁴

III. BRIEF OVERVIEW OF GOVERNING BODIES SUCH AS: GIFT IFSC AND GIFT SEZ

The GIFT city drives under two key governing or regulating bodies such as GIFT IFSC (International Financial Services Centre) and GIFT SEZ (Special Economic Zone). These institutions play a pivotal role in fostering a business environment, controlling its operations and streamlining over its regulations facilitative to GIFT City foreign investment.³⁵

A. GIFT IFSC (International Financial Services Centre):

This operates as the regulating body for the international financial services within the GIFT city. It facilitates a competitive platform for world financial institutions to function within a regulated yet business and to provide friendly frameworks. For the investors wondering why to invest in GIFT City India, the IFSC provides a numerous benefits such as tax incentives, streamline the regulatory frameworks, and it leads to ease of doing business in GIFT city, and moreover marking it as a magnet for foreign investment in various sectors like insurance, banking, and asset management.³⁶

B. GIFT SEZ (Special Economic Zone):

GIFT city is a designated area that offers a numerous tax reliefs, regulatory relaxations, and strengthen or enhanced infrastructure to attract the businesses and to promote FDI (Foreign Direct Investment). The companies that are operating within the SEZ (Special Economic Zone) enjoy the exemptions from various duties and taxes, and marking it as a favorable environment for investing in businesses across the financial services, Fin-tech, and IT. This area simplifies the procedures. Additionally, GIFT City attracts FDI (Foreign Direct Investment) that is attractive to MNCs (Multi-National Corporations).³⁷

³⁴“Ship Leasing in IFSC – A New Regime” (India Corporate Law, September 29, 2022) <<https://corporate.cyrilamarchandblogs.com/2022/09/ship-leasing-in-ifsc-a-new-regime/>> accessed October 19, 2024.

³⁵ Bureau BC, “Ship Leasing Sets Sail from GIFT IFSC; First Ship Leased” (BusinessLine, July 27, 2023) <<https://www.thehindubusinessline.com/economy/logistics/ship-leasing-sets-sail-from-gift-ifsc-first-ship-leased/article67127398.ece>> accessed October 19, 2024.

³⁶ ‘International Financial Services Centres Authority’ (*International Financial Services Centres Authority*) <<https://ifsc.gov.in/Pages/Contents/AboutIFSCA>> accessed 13 October 2024.

³⁷ Gift City, India’s Global Financial Hub, Comsure, Jersey’ (Comsure - Business Risk Advisory Services | Jersey, 18 April 2024) <<http://comsuregroup.com/news/gift-city-india-s-global-financial-hub-one-to-watch/>> accessed 13 October 2024.

C. Peculiar features in GIFT city; First –class infrastructure in GIFT city

Whereas GIFT city is constructed with world class infrastructure it features with highly advanced office spaces, along with sustainable rural planning, smart utilities. This fused, highly technical environment it offers the laid framework or foundation to attract the foreign investors and to sustain foreign investments.³⁸

D. Tax reliefs and Adherence Simplification

Simplified Adherence processes further lead to ease the business environment. The businesses that are operating in the prone are of GIFT city will get benefited from the Tax incentives, favourable tax operations it includes zero commodity transaction tax, zero securities transaction tax and marking it as an attractive global hub for financial operations. Moreover the business investors evaluating why invest in GIFT City India, the array of tax reliefs mark out as a significant advantage. Additionally, for FDI (Foreign Direct Investment) or foreign investors are benefited with tax exceptions in major sectors and marking it as destination for Tax heaven.³⁹

GIFT city IFSC: TAX exceptions such as;

1. 10/15 years Corporate Tax Rate (CTR) exception
2. 9% Minimum Alternate Tax (MAT)
3. 0% Capital Gain Tax ⁴⁰
4. 0% Securities Transaction Tax (STT)
5. 0% Goods and Service Tax (GST)
6. 0% Commodities Transaction Tax (CTT)
7. 0% Stamp duty ⁴¹

E. GIFT (IFSC) International Financial Services Centre

One of the most distinctive features of GIFT city is that IFSC offers a worldwide competitive business environment with the smallest amount of regulatory barriers or restrictions. This unique feature or designation has been instrumental in fostering the foreign

³⁸ “What Facilities Are Available in GIFT City? A Comprehensive Guide!” (Sobha Limited, September 1, 2024) <<https://www.sobha.com/blog/facilities-available-in-gift-city/>> accessed October 19, 2024.

³⁹ “The Legal 500” <<https://www.legal500.com/developments/thought-leadership/benefits-of-investing-in-gift-city-india/>> accessed October 15, 2024.

⁴⁰ “India’s Global Hub: International Financial Service Center (IFSC)” (AKM Global) <<https://www.akmglobal.com/blog/ifsc-in-india-gift-city/>> accessed October 19, 2024.

⁴¹ “The Role of GIFT City in Attracting Foreign Investments to India” (Sobha Limited, September 18, 2024) <<https://www.sobha.com/blog/role-of-gift-city-in-attracting-foreign-investments/>> accessed October 15, 2024.

investors, by offering companies to operate at a global level within India through these features offered in GIFT IFSC. For instance, (SEBI) has permitted Foreign Portfolio Investors (FPIs) enrolled in India to trade on the city's exchange. At the very outset in India FPIs can also be allowed to participate in commodity derivatives on the IFSC exchanges within GIFT city.⁴²

F. Focusing on Sustained development

Another distinctive feature of GIFT City is majorly it focuses on sustainability .Furthermore, this city be the presenter of smart utilities , effective waste management techniques, and promoting green buildings, pioneering it as a future hub for investors looking to make long term investments. All these distinctive features contributes to the city's growth, marking its role as a key driven force of foreign investments and as a cornerstone or strong foundation in India's financial and technological growth in terms of contribution to the economy.⁴³

IV. LEGAL FRAMEWORK AND TAX INCENTIVES FOR FOREIGN INVESTORS

GIFT (Gujarat International Finance Tec-City) facilitate FDI with well organised legal framework and offers a wide range of attractive tax incentives. The central government inaugurated special incentives to promote global investments in GIFT City it includes pivotal sectors like Banking, Finance, Insurance, real estate and IT sector.⁴⁴

Exceptional Tax Reliefs for Financial Institution

One of the major reasons is the range of tax incentives or exceptions that are provided. These exemptions include from the Corporate Tax Rate (CTR), from Goods and Service Tax, stamp duty, and custom duty, significant deduction in their operational costs for its businesses. Furthermore, these financial companies can benefit from tax concession and other tax holidays, marking GIFT City as a highly top most attractive option for world financial institutions. For illustration, a World Bank can enjoy a 10 year tax holiday on profits or gains from beyond boundary activities or offshore activities and providing exemption from GST on foreign financial services. This remarkably reduces the costs marking GIFT City as an attractive foundation for foreign banks.⁴⁵

⁴² "Framework for Foreign Portfolio Investors at GIFT City" <<https://www.apexgroup.com/insights/new-framework-for-foreign-portfolio-investors-fpi-at-gift-city/>> accessed October 19, 2024.

⁴³ Suprita Anupam, 'Can GIFT City Replace Singapore, Mauritius As Preferred Financial Hub For Startups & Investors?' (*Inc42 Media*, 5 June 2023) <<https://inc42.com/features/can-gift-city-replace-singapore-mauritius-as-preferred-financial-hub-for-startups-investors/>> accessed 13 October 2024.

⁴⁴ "Investing in Gift City: Benefits for NRIs" (AR Gift City) <<https://www.anandrathigiftcity.com/nris-investments-benefits-giftcity.php>> accessed October 15, 2024.

⁴⁵ 'GIFT City and its Tax Implications: A Deep Dive - Treelife - GIFT City' (Treelife - GIFT City, 20 May 2024) <<https://gift.treelife.in/gift-city-and-its-tax-implications-a-deep-dive/>> accessed 13 October 2024.

Foreign transactions and International Financial Service Centre

The IFSC within the GIFT city plays a key role in facilitating foreign transactions. It simplifies the processes in organising the trans-border financial services, ensures that international investment remains competitive on a world scale. The IFSC also act as a framework it provides a platform for international banks, insurance companies, and asset management corporations to operate in a business friendly environment. For example, an international insurance company can use GIFT City's IFSC to offer foreign policies within minimum legal hurdles.it allow tapping efficiently into world markets while benefiting from deducted transaction costs.⁴⁶

Business –friendly environment and with top most quality of infrastructure

Business –friendly environment and simplified legal regulatory procedures ensures that establishment of operations is time-efficient and cost –efficient, solidify the city's role as a first choice for foreign investments in GIFT City. For example, a multinational (MNC) IT company establishment in GIFT City benefiting from quick legal approvals. This allows their market entry without any restrictions and deducts the overhead costs, promoting operational efficiency. GIFT City's progressive infrastructure and technological growth further enhanced its appeal for foreign investors.⁴⁷

V. LEGAL AND REGULATORY REQUIREMENTS FOR AVIATION SECTOR

The aviation industry in our country is primarily regulated or operated by the following regulations:

1. The carriage by air act ,1972 regulates the rights and duties of carriers, passengers, **Consignor:** The sender of the goods, also known as the shipper or sender, **Consignee:** The receiver of the goods, also known as the receiver ⁴⁸
2. The Airports authority of India act, 1994 regulates or operates with the matters functions of the central government, lease by the government, this act also evict the unauthorised occupants, etc...of airport premises.Moreover, It establishes the Airport Authority of India look into matters that are responsible for growth, and its operation and it deals with maintenance of all government airports in our country.⁴⁹

⁴⁶ "India Inx-India International Exchange IFSC Ltd, GIFT City, SEZ" <<https://www.indiainx.com/static/ifsc.aspx>> accessed October 15, 2024.

⁴⁷ NEXGENO, "Benefits of Setting up Your Business in the GIFT City" (Ahlawat Associates) <<https://www.ahlawatassociates.com/gift-city-india>> accessed October 19, 2024.

⁴⁸ India Aviation Regulation Comparative Guide - All Chapters' (<https://www.mondaq.com/guides/results/22/1100/all/india-aviation-regulation>)

<www.mondaq.com/guides/results/22/1100/all/india-aviation-regulation> accessed 13 October 2024.

⁴⁹ 'AAI - Airports Authority of India, Achievements & its Functions.' (BYJUS, 13 July 2016)

3. The aviation requirements are notified by Directorate General of Civil Aviation. Additionally, various requirements needed to be fulfilled such as licensing, registration, certificate etc.,⁵⁰
4. Airports Economic Regulatory Authority of India Act ,2008 deals with the matters regarding to regulations on charges ,finance, accounts, audits and charges rendered by airports in India.⁵¹
5. The Aircraft Act, 1934 and the Aircraft Rules, 1937 operates with the matters regarding the power of central government to make rules regulating the manufacture, possession, ,ownership, use, operation, or functioning, sale, importing ,and exporting of any aircraft or class of aircraft and for securing the safety of aircraft operations through by notification through gazette. Among all these things it also looks over the parameters regarding such as:
 - a) **Aircraft maintenance**; any activity related to the inspection, overhaul, repair, preservation and replacement of parts of aircrafts.
 - b) The registration of aircraft;
 - c) Licensing of Aircraft;
 - d) General conditions for flying
 - e) General conditions for safety⁵²

The Aircraft security rule, 2023 deals with numerous safety and security regulations for airfield and aircrafts in India. Airworthiness; it simply means that an aircraft is in good working order and safe to fly, aircraft's ability to perform flight safely or not.⁵³

Regulatory bodies responsible for enforcing the applicable laws in aviation sector

The Ministry Of Civil Aviation is accountable for coming up with national policies and programs for the growth and regulation aviation sector in our country. Additionally Ministry Of Civil Aviation also directs to apply the laws and regulation's regarding to the aviation sector by

<<https://byjus.com/free-ias-prep/airports-authority-india-aii/>> accessed 14 October 2024.

⁵⁰ "Changes in Indian Guidelines Easing Repossession by GIFT City Lessors" (azb, April 25, 2024) <<https://www.azbpartners.com/bank/changes-in-indian-guidelines-easing-repossession-by-gift-city-lessors/>> accessed October 19, 2024.

⁵¹ "Airports Economic Regulatory Authority of India Act, 2008" (January 1, 2008) <https://www.indiacode.nic.in/handle/123456789/2090?view_type=browse> accessed October 19, 2024.

⁵² "TeamLease RegTech -" <<https://www.teamleaseregtech.com/resources/acts/article/76/aircraft-act-1934-and-aircraft-rules-1937/>> accessed October 19, 2024.

⁵³ "Aircraft Security Rules, 2023" (TaxGuru Consultancy & Online Publication LLP, August 9, 2023) <<https://taxguru.in/corporate-law/aircraft-security-rules-2023.html>> accessed October 19, 2024.

exercising his or her administrative power over the related self-governing organisations it includes:⁵⁴

1. The Directorate General of Civil Aviation,⁵⁵
2. The Bureau of Civil Aviation Security,⁵⁶
3. The Airports authority of India,⁵⁷
4. The Airports Economic Regulatory Authority of India,⁵⁸

These are the autonomous organisations that are under the control of Ministry Of Civil Aviation.

Licenses, that is required to avail civil aviation services

In order to function or operate with the civil air transport services , then that person who is operating must apply for Air operator permit and that should be granted after due Assiduous by the Directorate General of Civil Aviation. This allowance is equivalent to the Air Operator Certificate and moreover that must be directed by a member state of the International Civil Aviation Organization. Additionally type of license will depend upon the type of air transport offered by the operator.⁵⁹

An Air operator permit is granted for the different types of air transportation service's such as:

1. Scheduled air transport services (sequence of daily, commercial flights that transport people, cargo, or property between two or more locations).⁶⁰
2. Aviation for cargo service's ;(Cargo refers to goods carried by a bulk vehicle it includes aircraft, ship, train etc.)⁶¹

⁵⁴ "Ministry of Civil Aviation" (MyGov.in) <<https://www.mygov.in/group/ministry-civil-aviation/>> accessed October 19, 2024.

⁵⁵ "Directorate General of Civil Aviation" (Ministry of Civil Aviation) <<http://www.civilaviation.gov.in/node/4366>> accessed October 19, 2024.

⁵⁶ Ravi V&, "What Is Bureau of Civil Aviation Security (BCAS)?" Vajiram & Ravi (August 26, 2023) <<https://vajiramandravi.com/upsc-daily-current-affairs/prelims-pointers/what-is-bureau-of-civil-aviation-security-bcas/>> accessed October 19, 2024

⁵⁷ "Role & Functions" (AIRPORTS AUTHORITY OF INDIA) <<https://www.aai.aero/en/vigilance/role-functions>> accessed October 19, 2024.

⁵⁸ Vinu, "Airport Economic Regulatory Authority - Rau's IAS" (Compass by Rau's IAS, March 21, 2024) <<https://compass.rauias.com/current-affairs/airport-economic-regulatory-authority/>> accessed October 19, 2024.

⁵⁹ "Registration & Approvals in Civil Aviation Sector in India" (Compliance Calendar LLP, October 14, 2024) <https://www.compliancecalendar.in/learn/registration-approvals-for-an-indian-subsidiary-company-in-the-civil-aviation-sector?srltid=AfmBOoqr6L0ZRwH2FsYRAXLuLu8tsjz28FcMGY7KLSrYuupJl-1jc_3> accessed October 14, 2024.

⁶⁰ Singhania R, "Aviation Licensing in India" Singhania & Partners LLP (September 6, 2019) <<https://www.lexology.com/library/detail.aspx?g=479efb12-c9a3-4128-ba81-cab37f105e78>> accessed October 19, 2024.

⁶¹ "Scheduled Air Transport Service Definition" (Law Insider) <<https://www.lawinsider.com/dictionary/scheduled-air-transport-service>> accessed October 19, 2024.

3. Scheduled commuter air transport services: The major purpose of these services to promote rural connectivity, by operating regional flights between two or more places on daily basis.
4. Non-scheduled aviation services;⁶²

Other pre conditions that must be fulfilled in order to obtain a license

Operators are essential for, The Directorate General of Civil Aviation, among all other things, to:

Exhibit reasonable organisation, methods of operating and controlling of flight operations; and organising a training programme and preservation of arrangements with the nature and extended to the particular operations. Aeronautical Information Circular no .09 of 2020 details the conditions for the grants of operating sanction to international aircrafts designated under the two-sided air transportation contracts. Moreover this Aeronautical Information Circular, among all other things, it drives with the matters relating to the ownership, possession, effective control and safety precautions of international operators.⁶³

Authorized and documentary conditions for registration

The operators must file for attested copies of the following documents with the Directorate General of Civil Aviation along with the CA-28 airline registration form

1. Submission of custom clearance certificate of that aircraft:
2. A certificate of unsubscribed from the past registering authority, if any;⁶⁴
3. Authentication or proper evidence that the airlines has been bought by the operator;
4. From where the airline has been purchased in past year, an evidence to that;⁶⁵
5. From where the airline is owned by a corporation or organization ,a documentary evidence of that registration of that corporation, addresses and nationality of that directors;⁶⁶

⁶² “India Introduces Scheduled Commuter Airline Category” Ivan Nadalet (December 16, 2016) <<https://www.ch-aviation.com/news/51665-india-introduces-scheduled-commuter-airline-category>> accessed October 19, 2024.

⁶³ “India” (L2b Aviation, April 20, 2022) <<https://l2baviation.com/aircraft-title/india/>> accessed October 19, 2024.

⁶⁴ “India Aviation Regulation Comparative Guide” (All Chapters) <<https://www.mondaq.com/guides/results/22/1100/all/india-aviation-regulation>> accessed October 19, 2024.

⁶⁵ Shah A and others, “Aviation Laws and Regulations India 2024” International Comparative Legal Guides International Business Reports (April 2, 2024) <<https://iclg.com/practice-areas/aviation-laws-and-regulations/india>> accessed October 19, 2024.

⁶⁶ “How Do You Register an Aircraft in India?” (Sarin & Co., January 15, 2017) <<https://sarinlaw.com/how-dyou-register-an-aircraft-in-india/>> accessed October 14, 2024.

6. A licensed copy of that import is issued by the Directorate General of foreign trade or international trade or acceptance for import of airline directed by Ministry Of Aircraft or Directorate General of Civil Aviation; and
7. The airline is taken for a lease , a copy of that lease agreement ,if required;
8. In case, if the aircraft has been mortgages, the operator or applicant shall submit his or her own consent for that to come into force;⁶⁷
9. As well as fees of registration as mentioned.

Registering of an airline, and thus matter relating to the certificate of registration in related to the airline, may take from anywhere in India from 2 to 4 weeks. There is no need of any government consent whatsoever. Moreover there is a fee for registration of an airline with the Indian airline registry which depends upon the weight of the airline. Other than this fee, no other taxes are payable for registering on a lease.⁶⁸

VI. LICENSING POLICIES FOR TRANSPORT SHIPPING VESSEL

An overseas law is wanted for all deliver and vessel radio transmitting stations as a way to have a license issued via way of means of authorities of India of registry. The Republic of the Marshall Islands (The administrator) is held accountable for issuing RMI deliver radio station license primarily based totally at the International Convention for the Safety of Life at Sea, International Telecommunications Union (ITU), and the statutes of the RMI.⁶⁹

Full-Term Radio License

Full-time period licenses are issued for a length of 4 years for each conventionally-gearred up and Global Maritime Distress Safety System (GMDSS) geared up vessels.⁷⁰

Exemption Certificate

A vessel can be issued dispensation with inside the shape of an Exemption Certificate from a selected requirement of (International Convention for the Safety of Life at Sea, 1974). The deliver's consultant should prove, to the delight of the Administrator, which the shortage of a

⁶⁷ "Aircraft Title & Registrations: India" (L2b Aviation, April 20, 2022) <<https://l2baviation.com/aircraft-title/india/>> accessed October 14, 2024.

⁶⁸ "Aviation Laws and Regulations India 2024" International Comparative Legal Guides International Business Reports (April 2, 2024) <<https://iclg.com/practice-areas/aviation-laws-and-regulations/india>> accessed October 19, 2024.

⁶⁹ (International Chamber of Shipping) <<https://www.ics-shipping.org/shipping-fact/safety-and-regulation-the-principal-regulations-governing-maritime-safety/>> accessed October 19, 2024.

⁷⁰ "Global Maritime Distress and Safety System (GMDSS)" (Federal Communications Commission) <<https://www.fcc.gov/wireless/bureau-divisions/mobility-division/maritime-mobile/ship-radio-stations/global-maritime>> accessed October 19, 2024.

selected piece of gadget or dispensation from a selected withstanding characteristic will now no longer endanger the vessel or different vessels with whom it's going to be available in contact.⁷¹

In reaction to requests from ship-owners and operators, we're imparting the RMI and ITU listing of radio files required via way of means of worldwide settlement to be carried on board RMI flagged vessels further to the Ship Radio Station License, Certificates of Competence of the radio operator (or operators), and Radio Log. These necessities practice to all RMI flagged vessels geared up with deliver radio stations.⁷²

Maintenance Agreements

It is needed for vessels with a shore-primarily based totally preservation settlement to have a replica of the settlement on board.⁷³

VII. THE PRINCIPAL REGULATIONS GOVERNING MARITIME SAFETY

Shipping is the most secure and maximum environmentally benign shape of industrial transport. Perhaps uniquely among industries regarding bodily risk, dedication to protection has lengthily pervaded certainly all deep sea transport operations. Shipping became among the first actual industries to undertake extensively carried out worldwide protection requirements. Because of its inherently worldwide nature, the protection of transport is regulated via way of means of diverse United Nations agencies, especially the International Maritime Organization (IMO) which has advanced a complete framework of worldwide maritime protection policies.⁷⁴

The following are the foremost worldwide transport conventions, followed via way of means of the International Maritime Organization (and the International Labour Organization) regarding protection and pollutants prevention. However, many different maritime gadgets regarding extra unique troubles also are in pressure worldwide.⁷⁵

(International Convention for the Safety of Life at Sea, 1974) lays down a entire type of minimum necessities for the stable advent of ships and the number one safety gadget (e.g.

⁷¹ "International Convention for the Safety of Life at Sea (SOLAS), 1974" <[https://www.imo.org/en/About/Conventions/Pages/International-Convention-for-the-Safety-of-Life-at-Sea-\(SOLAS\),-1974.aspx](https://www.imo.org/en/About/Conventions/Pages/International-Convention-for-the-Safety-of-Life-at-Sea-(SOLAS),-1974.aspx)> accessed October 19, 2024.

⁷² "Ship Radio Licensing - IRI" (IRI | International Registries, Inc., March 19, 2018) <<https://www.register-iri.com/maritime/ship-radio-licensing/>> accessed October 19, 2024.

⁷³ "Shore Based Maintenance of GMDSS Equipment. GMDSS Radio Survey Blog" <<https://gmdsstesters.com/radio-survey/general/shore-based-maintenance-of-gmdss-equipment.html>> accessed October 19, 2024.

⁷⁴ Testbook, "International Maritime Organization - Functions, Structure & More" (Testbook, February 22, 2023) <<https://testbook.com/ias-preparation/international-maritime-organization>> accessed October 19, 2024.

⁷⁵ Nations U, "The Role of the International Maritime Organization in Preventing the Pollution of the World's Oceans from Ships and Shipping" (United Nations) <<https://www.un.org/en/chronicle/article/role-international-maritime-organization-preventing-pollution-worlds-oceans-ships-and-shipping>> accessed October 19, 2024.

fireplace location safety, navigation, lifesaving and radio) to be carried on board. Additionally requires normal supply surveys and the issue through manner of way of flag states of certificates of compliance.⁷⁶

(International Convention for the Prevention of Pollution from Ships, 1973/1978) consists of necessities to save you pollutants that can be induced each by accident and withinside the path of ordinary operations. Worries the prevention of pollutants from oil, bulk chemicals, risky goods, sewage, rubbish and atmospheric pollutants, and consists of provisions along with the ones which require positive oil tankers to have double hulls.⁷⁷

(Convention at the International Regulations for Preventing Collisions at Sea, 1972) lays down the primary “guidelines of the road”, along with rights of manner and movements to keep away from collisions.⁷⁸

(International Convention on Load lines, 1966) gadgets the minimum permissible free board, consistent with the season of the year and the deliver’s shopping for and promoting pattern.⁷⁹

(The International Ship and Port Facility Security Code, 2002) consists of obligatory necessities to make sure ships and port centers are stable in any respect degrees at some stage in a voyage.⁸⁰

Dealing with the transport company

(The International Safety Management Code, 1993) correctly calls for transport organizations to have a license to operate. Companies and their ships should go through ordinary audits to make sure that a protection control machine is in place, along with ok tactics and features of verbal exchange among ships and their managers ashore.⁸¹

⁷⁶“UNTC” <<https://treaties.un.org/pages/showDetails.aspx?objid=08000002800ec37f>> accessed October 19, 2024.

⁷⁷ Lethbridge JR, “MARPOL 73/78 (International Convention for the Prevention of Pollution from Ships)” (World Bank)<<https://documents.worldbank.org/en/publication/documentsreports/documentdetail/860841468330898141/marpol-73-78-international-convention-for-the-prevention-of-pollution-from-ships>> accessed October 19, 2024.

⁷⁸“Convention on the International Regulations for Preventing Collisions at Sea)” <http://www.admiraltylawguide.com/conven/collisions1972.html>> accessed October 19, 2024.

⁷⁹ “The Load Line Convention” (The Master Mariner, December 29, 2015) <<https://www.themastermariner.com/stcw-a-ii2/load-line-convention/>> accessed October 19, 2024.

⁸⁰ “International Ship and Port Facility Security (ISPS) Code” (Maritime & Port Authority of Singapore (MPA)) <[https://www.mpa.gov.sg/port-marine-ops/port-safety-security/safety@sea-singapore/safety-resources/port-security/international-ship-and-port-facility-security-\(isps\)-code](https://www.mpa.gov.sg/port-marine-ops/port-safety-security/safety@sea-singapore/safety-resources/port-security/international-ship-and-port-facility-security-(isps)-code)> accessed October 19, 2024.

⁸¹ “The International Safety Management Code (ISM Code 1993)” <<http://www.admiraltylawguide.com/conven/ismcode1993.html>> accessed October 19, 2024.

VIII. REGULATORY BODIES RESPONSIBLE FOR ENFORCING THE APPLICABLE LAWS IN SPACE SECTOR

On 10 August 2023, the Government of India brought the Indian Space Policy – 2023 to reinforce the abilities of organizations worried with inside the area region and offer a regulatory framework. The Policy outlines the vision, approach and pointers for reinforcing the participation of non-governmental entities (NGEs) throughout the whole cost chain of the gap financial system, thereby transferring the contemporary supply-pushed area financial system to a demand-pushed model. With the purpose of revolutionizing the distance location with the resource of the use of enhancing the participation of NGEs, fostering innovation and supplying a strong regulatory framework, the Policy is meant to be a top notch catalyst and act due to the fact the rocket gas for the rapid development and boom of India's region location. At its core, the Policy envisions augmenting India's area abilities, using technological innovation and leveraging area for socio-financial improvement. To acquire this vision, the Policy adopts a multifaceted approach, with the aid of using offering regulatory truth to actors worried with inside the area region and offering measures for encouraging superior studies and improvement, offering public items and offerings the use of area generation, growing a strong regulatory framework, selling area-associated schooling and innovation, and the use of area as a motive force for common generation improvement. The Policy delineates the jobs and obligations of 4 essential entities that play vital roles in enforcing the policy, making sure compliance, fostering enterprise increase and selling worldwide co-operation.⁸²

The 4 entities which have been exceeded the baton for implementation of the Policy beneath the aegis and supervision of Department of Space ("DOS") is:

- (i) The Indian Space Research Organization (ISRO), liable for studies and improvement;⁸³
- (ii) New Space India Limited (NSIL), a public region organization with inside the area region, liable for supplementing the needs of the enterprise;⁸⁴
- (iii) The Indian National Space Promotion and Authorization Centre ("IN-SPACe"), the Sectoral regulator, which acts because the interface among ISRO and NGEs; and⁸⁵

⁸² Sarin N and Longani V, "In Review: Space Law, Regulation and Policy in India" Sarin & Co (December 9, 2021) <<https://www.lexology.com/library/detail.aspx?g=7f021373-41c9-4e27-b50b-54de0ff3f2f2>> accessed October 19, 2024.

⁸³ "ISRO - an Overview" (ScienceDirect Topics) <<https://www.sciencedirect.com/topics/earth-and-planetary-sciences/isro>> accessed October 19, 2024.

⁸⁴ "NewSpace India Limited (NSIL)" (NewSpace India Limited (NSIL)) <<https://in.linkedin.com/company/newspace-india-limited-nsil>> accessed October 19, 2024.

⁸⁵ "IN-SPACe - Indian National Space Promotion and Authorisation Centre - IN-SPACe" <https://www.inspace.gov.in/inspace?id=inspace_index> accessed October 19, 2024.

(iv) The Department of Telecommunications (“DOT”), liable for control of area sports utilizing radio spectrum.⁸⁶

In addition to those entities, the DOS are accountable and acts because the nodal branch for implementation of the Policy and oversees the distribution of obligations mentioned with inside the Policy. IN-SPACE, and self-reliant single-window nodal company in the DOS, became installation in June 2020 with a mandate to authorize all area sports undertaken with the aid of using the GOI (Government of India) and NGEs with inside the country. IN-SPACE acts because the promoter, enabler, authorizer and manager of the Indian area ecosystem, and became inaugurated and operationalized in June 2022 to alter the gap region and supervise non-public firms and startups to adopt area sports.⁸⁷

IN-Space’s number one duty is to authorize diverse area sports, which include constructing of release vehicles, satellites, payloads, organizing floor stations and statistics dissemination. IN-SPACE is likewise liable for figuring out technology evolved with the aid of using ISRO and facilitating switch of generation from ISRO to non-public industries, according with the Policy.⁸⁸

In furtherance of its mandate, on four May 2024, IN-SPACE released ‘Norms, Guidelines and Procedures for Implementation of the Indian Space Policy-2023 in appreciate of Authorization of Space Activities’ (NGP) with the aid of using Indian entities.⁸⁹

Authorization Requirements

The NGP prescribes the authorization necessities for Indian entities engaged with inside the area region and challenge area sports. It calls for each entity sporting out area pastime to or from Indian Territory or in the jurisdiction of India to searching for authorization from IN-SPACE. The NGP lets in a big range of area sports such as release, operation, steorage and/or re-access of any area object. Key activities that require authorization from IN-SPACE are:⁹⁰

Established order and/or operations of area object(s), such as area-primarily based totally verbal exchange offerings, far flung sensing and novice satellite remote for pc systems, hosted

⁸⁶ “DoT — Its Powers and Responsibilities — The Centre for Internet and Society” <<https://cis-india.org/telecom/resources/dot-its-powers-and-responsibilities>> accessed October 19, 2024.

⁸⁷ Registrationwala, “What Are the Responsibilities of DoT?” (Registrationwala) <<https://www.registrationwala.com/knowledge-base/telecom/dot-compliance/what-are-the-responsibilities-of-dot>> accessed October 19, 2024.

⁸⁸ “Roles and Responsibilities” <<https://www.isro.gov.in/Responsibilities.html>> accessed October 19, 2024.

⁸⁹ Agarwal S, “Norms, Guidelines And Procedures For Implementation Of Indian Space Policy-2023 In Respect Of Authorization Of Space Activities (NGP) Compliance” (India, June 3, 2024) <<https://www.mondaq.com/india/compliance/1473992/norms-guidelines-and-procedures-for-implementation-of-indian-space-policy-2023-in-respect-of-authorization-of-space-activities-ngp>> accessed October 19, 2024.

⁹⁰ “Lexcounsel” (Lex Counsel) <<https://lexcounsel.in/articles/norms-guidelines-and-procedures-for-implementation-of-indian-space-policy-and-space-activities/>> accessed October 19, 2024.

payloads, established order and/or operation of area gadgets aside from verbal exchange and far flung sensing satellite remote for pc systems; operation of area transportation systems, such as sub-orbital and/or orbital launches from Indian territory and/or out of doors the territory of India; deliberate re-access of area gadgets without or with recovery; established order and/or operation of the floor systems, such as satellite remote for pc manage Centre; dissemination of area-primarily based totally earth observation/far flung sensing statistics, such as high-decision area-primarily based totally earth observation/far flung sensing statistics concerning Indian territory; and sale/purchase/switch of area gadgets in orbit.⁹¹

IX. MAJOR FOREIGN INVESTMENTS IN GIFT CITY

GIFT City draws FDI, with many incredible overseas organizations and traders organizing a robust presence. Among the distinguished MNCs which have capitalized on its infrastructure are main worldwide banks, coverage companies, and IT organizations.⁹²

Notable Foreign Companies and Investors

Many global monetary establishments – such as HSBC, Standard Chartered, and Barclays – have hooked up their offshore banking gadgets in GIFT City. These worldwide banks are benefitting from streamlined regulatory approaches and get admission to to global markets, making GIFT City overseas funding a strategic flow for his or her long-time period growth.⁹³

Examples of Successful Projects or Partnerships

A key instance of a hit partnership is the collaboration among GIFT City and worldwide asset control companies which have released monetary merchandise tailor-made to global markets – for instance, JP Morgan and Black Rock. These partnerships exhibit the capacity to foster a hit global investment in GIFT City, through presenting the proper platform for worldwide establishments to scale their operations.⁹⁴

Case Studies of Multinational Companies Leveraging GIFT City

One incredible case is the access of overseas coverage giants like Allianz and Swiss Re into GIFT City's IFSC. These organizations have installation reinsurance offices, the use of GIFT

⁹¹ "IN-SPACe Releases Guidelines for Space Policy Implementation – AGI India" <<https://agiindia.com/in-space-releases-guidelines-for-space-policy-implementation/>> accessed October 19, 2024.

⁹² Pyasi J, "India Says Foreign Funds at GIFT City Can Take Full Investment from Non-Resident Indians" Reuters (April 30, 2024) <<https://www.reuters.com/world/india/indias-sebi-says-foreign-funds-gift-city-can-take-full-investment-non-resident-2024-04-30/>> accessed October 19, 2024.

⁹³ "Top 5 Companies in GIFT City Revealed: The Future of Business Is Here!" <<https://www.devx.work/blog/top-companies-in-gift-city>> accessed October 19, 2024.

⁹⁴ "In This GIFT City Story, One More Example of How IL&FS Used Its Partners & Made Them Scapegoats" (Moneylife NEWS & VIEWS) <<https://www.moneylife.in/article/in-this-gift-city-story-one-more-example-of-how-ilfs-used-its-partners-and-made-them-scapegoats/68472.html>> accessed October 19, 2024.

City's infrastructure to get admission to markets throughout Asia. State-of-the-artwork technology, clever utilities, simplified tax regulations, and overseas direct funding in GIFT City have allowed those organizations to scale rapidly. This showcases how the metropolis has come to be a magnet for multinational companies seeking to leverage India's developing financial system and its beneficial funding environment.⁹⁵

X. FUTURE PROSPECTS AND EXPANSION PLANS

GIFT City's enlargement plans goal to solidify its function as a worldwide monetary and IT hub, making it an appealing vacation spot for overseas funding. By improving infrastructure and incorporating superior monetary services, it's far set to draw a much wider variety of industries – boosting global investments in GIFT City. With ongoing improvement in education, healthcare, and home spaces, the metropolis gives well-rounded surroundings for companies, employees & their families. Future plans additionally encompass selling its aggressive tax incentives and regulatory frameworks, to draw greater overseas direct funding in GIFT City. These expansions will foster partnerships with worldwide monetary institutions, positioning it as a main hub for offshore banking and capital markets. GIFT City's increase trajectory guarantees it'll stay a key participant within side the worldwide monetary ecosystem.⁹⁶

XI. INDIA'S DOUBLE TAXATION AVOIDANCE AGREEMENTS (DTAA)

India has certainly considered one among the biggest networks of tax treaties for the avoidance of double taxation and prevention of tax evasion. India has hooked up over ninety four complete DTAA's and 8 restrained DTAA's, in comparison with China's a hundred and ten and Vietnam's 80. The reason of such tax treaties is to broaden a truthful and equitable machine for the allocation of the proper to tax numerous styles of earnings among the 'source' and 'residence' nations. Global traders regularly locate themselves in an unfavorable function of getting to stand being double taxed – taxed through one-of-a-kind nations at the identical earnings – until there may be a Double Tax Avoidance Agreement in vicinity among the 2 nations. For example, an organization is probably situation to taxes in its local or tax resident United States of America and additionally in some other overseas United States of America wherein it has raised earnings through offering hard work or through an overseas-invested organization that offers items or services. Double Tax Avoidance Agreements (DTAA) treaties correctly get rid of double

⁹⁵ (Sobha Limited, September 18, 2024) <<https://www.sobha.com/blog/role-of-gift-city-in-attracting-foreign-investments/>> accessed October 19, 2024.

⁹⁶ Babar K, "GIFT City Development Plan for Expansion to 3,300 Acres with Social Infra in Final Stages" *Economic Times* (December 11, 2023) <<https://m.economictimes.com/industry/services/property/-/construction/gift-city-development-plan-for-expansion-to-3300-acres-with-social-infra-in-final-stages/articleshow/105911685.cms>> accessed October 19, 2024.

taxation in unique instances through figuring out exemptions or lowering the quantity of taxes payable. It is, consequently vital for overseas traders or expatriates operating in India to be privy to any DTAA's that can exist among India and the their tax resident nations that follow to them and to recognize how those agreements are implemented in exercise among their tax resident nations and India.⁹⁷

Applicability of DTAA's

A DTAA among India and different nations covers most effective tax citizens of India and tax citizens of the negotiating United States of America. Foreign or non-resident corporations working in India are situation to withholding tax on their earnings – dividend, interest, royalty, or expenses for technical services, as prescribed below the Income Tax Act. However, overseas corporations which can be tax resident with inside the nations that India has a DTAA with, can declare greater useful provisions and costs among the Income Tax Act and the DTAA.⁹⁸

Benefiting from India through DTAA

Double Taxation Avoidance Agreements (DTAA) offer tremendous blessings for people and companies engaged in cross-border activities, assisting to mitigate the weight of paying taxes in more than one jurisdiction. Here are a few techniques and examples to optimize tax liabilities thru India's DTAA, and why consulting with tax professionals or prison advisors are crucial. Review the unique provisions associated with your earnings type, whether or not it is salary, dividends, interest, royalties or Fees for Technical Services, Capital gains, Income associated with artists or sportsmen. Claiming tax credit lets in taxpayers to lessen their tax legal responsibility in India through the quantity of tax already paid within side the overseas United States of America and vice-versa. Income earned from shipping, air transport, is probably exempt from tax in one of the nation's primarily based totally upon the transaction came about in the provisions of DTAA. DTAA's make sure that the identical earnings aren't always taxed twice. To avail DTAA blessings, you want to document unique forms, along with Form 10F, with the Indian tax authorities.⁹⁹

Synergy between GIFT City Tax Incentives and DTAA Benefits

⁹⁷Surana E, "What Is Double Taxation Avoidance Agreement (DTAA)? How NRIs Can Claim Benefits Under DTAA" ClearTax (October 21, 2016) <<https://cleartax.in/s/how-nris-can-claim-benefits-under-dtaa>> accessed October 19, 2024.

⁹⁸ "What Is Double Taxation Avoidance Agreement (DTAA)?" Tax2Win (August 10, 2023) <<https://tax2win.in/guide/double-tax-avoidance-agreement-dtaa>> accessed October 19, 2024.

⁹⁹"India's Double Taxation Avoidance Agreements (DTAA) - India Guide" (Doing Business in India) <<https://www.india-briefing.com/doing-business-guide/india/why-india/india-s-double-taxation-avoidance-agreements>> accessed October 19, 2024.

The aggregate of tax incentives in GIFT City and decreased withholding taxes thru DTAA's can notably decorate the internet returns for overseas investors, making it an appealing destination. DTAA's can simplify the tax shape for overseas investors, as they do now no longer must navigate complicated tax duties throughout jurisdictions. This enhances the simplified tax regime in GIFT City. Businesses can leverage GIFT City's infrastructure and offerings in conjunction with favorable tax remedy beneath DTAA's to set up local headquarters or back-workplace operations. The balance furnished via way of means of DTAA's reduces the chance of surprising tax liabilities that can decorate the general funding weather in GIFT City.¹⁰⁰

Examples of Specific DTAA's Relevant to GIFT City

India-Singapore DTAA: Provides decreased withholding tax fees on hobby and royalties that can advantage entities working in GIFT City.

India-United Arab Emirates (UAE) DTAA: Encourages funding from UAE-primarily based totally entities via way of means of supplying tax blessings on capital profits and income.¹⁰¹

XII. CONCLUSION

In conclusion, GIFT City has emerged as a promising tax haven for the aviation, marine, and space sectors, offering a strategic platform for global organizations in search of to optimize their tax liabilities at the same time as cashing in on sturdy regulatory frameworks. This economic hub gives a set of appealing tax incentives, consisting of exemptions from diverse taxes.¹⁰²

As GIFT City maintains to develop, it now no longer best draws overseas funding however additionally positions India as a key participant in the global aviation, maritime, and aerospace industries. However, to completely comprehend its potential, its miles crucial for the authorities to deal with current challenges, streamline licensing and registration processes, and legal frameworks to guide those crucial sectors. By doing so, GIFT City can solidify its status as a leading financial and operational hub, driving economic growth and innovation in India's burgeoning high-tech industries.¹⁰³

¹⁰⁰ "How Budget 2023 Has Increased the Attractiveness for IFSC, GIFT IFSC" (MIT OpenCourseWare) <https://www.ey.com/en_in/insights/tax/india-tax-insights/how-budget-2023-has-increased-the-attractiveness-for-ifsc-gift-ifsc> accessed October 19, 2024.

¹⁰¹ "How Does a Double Taxation Avoidance Agreement (DTAA) Help NRIs/OCIs/PIOs?" ICICI Bank <<https://www.icicibank.com/nri-banking/nriedge/nri-articles/how-nris-can-claim-benefits-under-dtaa>> accessed October 19, 2024.

¹⁰² "GIFT City – R V K S and Associates" <<https://rvks.in/blogs/gift-city/>> accessed October 19, 2024.

¹⁰³ "GIFT City - The Epicenter of Global Financial Hub in India" (Treelife - GIFT City, May 22, 2024) <<https://gift.treelife.in/gift-city-the-epicenter-of-global-financial-hub-in-india/>> accessed October 19, 2024.