



Ministry of Finance

Setting up of an International Financial Services Centre (IFSC) in a Special Economic Zone (SEZ); First IFSC become operational at the Gujarat International Finance Tec-City (GIFT), Gandhinagar

Posted On: 07 APR 2017 5:25PM by PIB Delhi

Section 18 of the Special Economic Zones Act, 2005 provides for the setting up of an International Financial Services Centre (IFSC) in a Special Economic Zone (SEZ). Subsequent to the approval received under the Act, the country's first International Financial Services Centre (IFSC) has become operational at the Gujarat International Finance Tec-City (GIFT), Gandhinagar.

With a view to facilitate setting up of international financial centre in India, the following tax benefits were announced in Union Budget 2016-17:-

- The companies located in international financial services centre shall not be liable to dividend distribution tax.
- Minimum Alternate Tax shall be charged at the rate of nine per cent from units located in international financial services centre.
- The transaction in foreign currency of sale of equity share or units of equity oriented funds or units of a business trust taking place on a recognized stock exchange established in international financial services centre shall not be liable to securities transaction tax. It is also proposed that the gains arising from transfer of such long term capital asset shall be exempt from tax.
- The transaction in foreign currency of sale of commodity derivatives taking place on a recognized association established in international financial services centre shall not be liable to commodity transaction tax.

Apart from the above, financial concessions prevailing at the moment as per the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006 will be applicable to IFSCs within the SEZs. Guidelines and regulations have also been brought out by the sectoral Ministries/ Regulators, viz, Ministry of Corporate Affairs, Reserve bank of India, Securities and Exchange Board of India and Insurance Regulatory Development Authority of India with a view to facilitate the setting up of businesses in IFSC.

This was stated by Shri Arjun Ram Meghwal, Minister of State in the Ministry of Finance in written reply to a question in Lok Sabha today.

DSM/KA

(Release ID: 1487252) Visitor Counter : 133

