

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
(CENTRAL BOARD OF DIRECT TAXES)

**NOTIFICATION**

New Delhi, the 16th June, 2022

**INCOME TAX**

**S.O. 2777(E).**—In exercise of the powers conferred by sub-section (1F) of section 197A read with clause (c) of sub-section (2) of section 80LA, of the Income-tax Act, 1961 (43 of 1961) (hereinafter the Income-tax Act), the Central Government hereby specifies that no deduction of tax shall be made under section 194-I of the Income-tax Act on payment in the nature of lease rent or supplemental lease rent, as the case may be, made by a person (hereafter referred as ‘lessee’) to a person being a Unit located in International Financial Services Center (hereinafter the ‘lessor’) for lease of an aircraft subject to the following-

(a) The lessor shall, -

(i) furnish a statement-cum-declaration in Form No. 1 to the lessee giving details of previous years relevant to the ten consecutive assessment years for which the lessor opts for claiming deduction under sub-section (1A) read with section (2) of the section 80LA of the Income-tax Act; and

(ii) such statement-cum-declaration shall be furnished and verified in the manner specified in Form No.1, for each previous year relevant to the ten consecutive assessment years for which the lessor opts for claiming deduction under sub-section (1A) read with section (2) of the section 80LA of the Income-tax Act.

(b) The lessee shall, —

(i) not deduct tax on payment made or credited to lessor after the date of receipt of copy of statement-cum-declaration in Form No. 1 from the lessor; and

(ii) furnish the particulars of all the payments made to lessor on which tax has not been deducted in view of this notification in the statement of deduction of tax referred to in sub-section (3) of section 200 of the Income-tax Act read with rule 31A of the Income-tax Rules, 1962.

2. The above relaxation shall be available to the lessor during the said previous years relevant to the ten consecutive assessment years as declared by the lessor in Form No. 1 for which deduction under section 80LA is being opted. The lessee shall be liable to deduct tax on payment of lease rent for any other year.

3. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

*Explanation.*- for the purpose of this notification,—

- (a) ‘aircraft’ shall have the same meaning assigned to it in the Explanation to clause (4F) of section 10 of the Income-tax Act;
- (b) ‘International Financial Services Centre’ shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005); and
- (c) ‘Unit’ shall have the same meaning as assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).
4. This notification shall come into force from 01.07.2022.

### Form No. 1

#### To be furnished by a unit engaged in the business of leasing of aircraft located in International Financial Services Centre to the Lessee

- (1) Name of the assessee:
- (2) PAN:
- (3) Name and address of the unit located in IFSC:
- (4) Date of permission obtained under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any other relevant law, as mentioned in sub-section (1A) of section 80LA of the Income tax Act, 1961:

#### Statement-cum-Declaration

I ..... son/daughter of ..... in capacity ..... , do hereby declare that the above-mentioned unit is engaged in the business of leasing of aircraft and is eligible for deduction under sub-section (1A) read with sub section (2) of section 80LA of the Income-tax Act, 1961. I further declare that we have opted to claim the said deduction for the period from the previous year..... relevant to assessment year.... to the previous year.... relevant to assessment year..... I further declare that the above-mentioned unit continues to be a unit working in IFSC and continues to be engaged in the business of aircraft leasing during the year... (relevant to Assessment Year . ....) in which this statement-cum- declaration is being submitted.

#### Verification

I.....son/daughter of .....in capacity..... do hereby certify that all the particulars furnished above are correct and complete.

Signature of the declarant

(to be signed by a person competent to sign the return of income as provided in section 140 of the Income-tax Act)

[Notification No. 65/2022/F. No. 275/30/2019-IT(B)]

ARVIND KUMAR MISHRA, Under Secy.