

International arbitration center to be setup at GIFT City, Gujarat

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In news– The Union Finance Minister, in her Budget speech has announced the setting up of an international arbitration center at the GIFT City in Gujarat.

About the International arbitration center (IAC)-

- It will be set up on the lines of the Singapore International Arbitration Center (SIAC).
- Arbitration centers **help in speedy resolution of commercial disputes between parties across the borders.**
- It will be **different from the maritime arbitration center** that is also being set up in GIFT City.
- The proposed IAC will not only boost foreign investor confidence to set up business in GIFT IFSC but also place GIFT IFSC on par with other competing jurisdictions.

Gujarat International Finance Tec-City (GIFT) and IFSC-

- It is **located on the banks of the Sabarmati River** and is around 12 km from Sardar Vallabhbhai Patel International Airport.
- GIFT City is an **emerging global financial and IT services hub, a first of its kind in India, designed to be at or above par with globally benchmarked business districts.**
- It is India's first operational smart city and international financial services centre.
- **The idea for GIFT was conceived during the Vibrant Gujarat Global Investor Summit 2007** and the initial planning was done by East China Architectural Design & Research Institute (ECADI), which is credited with

planning of much of modern-day Shanghai

- As per the Budget 2022-23, GIFT city will **host world-class foreign universities.**
- Budget also proposed tax exemption for ship-leasing and financing and tax exemptions for offshore fund management and offshore banking at IFSC.
- The budget also allows “climate finance” funds to be routed to India through IFSC in GIFT City.
- IFSC is India’s Offshore Financial Centre (OFCs), meaning the bulk of financial sector transactions on both sides of the balance sheets are with individuals or companies that are not residents of OFCs.

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