

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (REGISTRATION OF INSURANCE BUSINESS) REGULATIONS, 2021¹

(As amended up to 17-Oct-2024)

In exercise of the powers conferred by sub-section (1) of Section 28 read with Section 12 and 13 of the International Financial Services Centres Authority Act, 2019, the International Financial Services Centres Authority hereby makes the following Regulations namely: -

CHAPTER I

PRELIMINARY

1. Short title and commencement

- (1) These Regulations may be called the International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021.
- (2) They shall come into force from the date of their publication in the Official Gazette.

2. Objective: These Regulations aim to put in place the process of registration and operations of insurer and Re-insurer in an International Financial Services Centre under regulatory purview of The International Financial Services Centres Authority Act, 2019 (50 of 2019).

3. Definitions –

- (1) In these Regulations, unless the context otherwise requires-
 - (a) ‘Act’ means the International Financial Services Centres Authority Act, 2019 (50 of 2019);
 - (b) ‘Applicant’ means -
 - (i) an ‘insurer’ registered with the Insurance Regulatory and Development Authority of India under section 3 of the Insurance Act, 1938 (4 of 1938),
 - (ii) a Foreign Insurer or Foreign Re-insurer;
 - (iii) a Society of Lloyd’s on behalf of Members of Lloyd’s;
 - (iv) a ‘Branch Office of foreign insurer’ or ‘Lloyd’s India’ registered by the IRDAI;

¹ Vide Notification No. IFSCA/2020-21/GN/REG016 dated 18th October 2021 published in the Gazette of India, Extraordinary Part III – Section 4, vide No. 480 dated 18th October 2021 (w.e.f. 20-10- 2021)

- (v) a public company or a wholly owned subsidiary of an insurer or a Re-insurer which is formed and registered under the Companies Act, 2013;
 - (vi) an insurance co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in any State relating to co-operative societies or under the Multi-State Cooperative Societies Act, 1984 (51 of 1984);
 - (vii) a body corporate incorporated under the law of any country outside India not being of the nature of a private company; or
 - (viii) a Managing General Agent who has a valid binding agreement with a Foreign Insurer or Foreign Re-insurer.
- (c) **‘Authority’** means the International Financial Services Centres Authority established under sub-section (1) of Section 4 of the Act;
- (d) **‘binding agreement’** means an agreement between an MGA and a foreign insurer or foreign re-insurer, under which a foreign insurer or foreign re-insurer authorises an MGA to act as an agent and to enter into a contract of insurance on its behalf;
- (e) **‘Board of the Applicant’** for the purposes of these Regulations means a ‘Board’ as defined under the Companies Act, 2013 or a body discharging equivalent functions, by whatever name called;
- (f) **‘Certificate’** means a Certificate of Registration granted by the Authority under these Regulations;
- (g) **‘Domestic Tariff Area’** or ‘DTA’ means the whole of India (including the territorial waters and continental shelf) but does not include the areas of the Special Economic Zones;
- (h) **‘Foreign Insurer or Foreign Re-insurer’** means a body corporate incorporated under the law of any country outside India and duly registered with its home country regulatory or supervisory authority for transacting insurance or re-insurance business, or both;
- (i) **‘Indian Insurer’** for the purpose of these Regulations means an insurer defined under section 2 (9) (a), (b) and (c) of the Insurance Act, 1938;
- (j) **‘International Financial Services Centre’** or **‘IFSC’** shall have the same meaning as assigned to it under section clause (g) of sub-section (1) of section 3 of the Act;
- (k) **‘International Financial Service Centre Insurance Office’** or **‘IIO’** means a financial institution under clause (c) of sub-section (1) of Section 3 of the

Act that is registered with the Authority to undertake permissible activities under these Regulations;

- (l) **'INR'** means the Indian currency called Indian Rupee;
- (m) **'IRDAI'** means The Insurance Regulatory and Development Authority of India constituted under the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (n) **'Lloyd's'** means the society of underwriters known in the United Kingdom as Lloyd's and incorporated by the Lloyd's Act 1871 of the United Kingdom;
- (o) **'Lloyd's IFSC'** means the branch office of the Lloyd's granted certificate of registration by the Authority under these Regulations to transact insurance or re-insurance business;
- (p) **'Managing General Agent'** or **'MGA'** means: -
 - (i) a body corporate incorporated outside India that is authorized to undertake insurance or re-insurance or both pursuant to a binding agreement with a Foreign Insurer or Foreign Re-insurer; or
 - (ii) a company incorporated under the Companies Act, 2013 that is authorized to undertake business of insurance or re-insurance or both pursuant to a binding agreement with a Foreign Insurer or Foreign Re-insurer.
- (q) **'Parent Entity'** or **'Head Office'** means the Applicant as defined under clause (b) of this sub-regulation or such other affiliate of the Applicant that has been designated as 'Head Office', with the approval of the Authority;
- (r) **'Private company'** and **'public company'** have the meanings respectively assigned to them in clause (68) and clause (71) of Sec. 2 of the Companies Act, 2013 (18 of 2013);
- (s) **'Net Owned Fund'** or **'NOF'** means the sum of paid-up equity capital, free reserves and securities premium account reduced by accumulated losses and book value of intangible assets;

***Explanation:** NOF should be computed based on last audited Balance Sheet. Any capital raised after date of the Balance Sheet, should not be accounted for calculating NOF;*
- (t) **'Regulations'** means International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021; and

- (u) 'USD' means United States Dollar.
- (2) Words and expressions used and not defined in these Regulations but defined in the Act or Acts mentioned in the First Schedule to the Act or any rules, regulations made thereunder, shall have the same meanings respectively assigned to them in those Acts, rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II

SETTING UP OF A IFSC INSURANCE OFFICE

4. Registration -

- (1) No person shall commence the business of insurance or re-insurance in an IFSC without obtaining registration from the Authority in accordance with these Regulations;
- (2) An Applicant including Lloyd's seeking registration shall make application in the forms [***]² as specified by the Authority.

Explanation:

- (i) The provisions related to Lloyd's, Lloyd's IFSC and registration of Service Company of Lloyd's IFSC are specified at SECOND SCHEDULE of these Regulations;
- (ii) The provisions related to MGA and relevant Foreign insurer or Foreign re-insurer and its registration are specified at THIRD SCHEDULE of these Regulations.

5. Eligibility Conditions for Registration:

- (1) An Indian insurer or re-insurer, as the case may be, desirous of setting up a place of business in an unincorporated form in an IFSC, shall meet with the following requirements -
 - (a) the Applicant is duly registered with IRDAI for undertaking the business of insurance or re-insurance in India;
 - (b) The Applicant has been granted a No Objection Certificate by the IRDAI to set up place of business in an IFSC.

² Omitted words "as specified in FIRST SCHEDULE of these Regulations and in the manner" by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

- (c) the Board of the Applicant shall submit reporting structure of the officials as mentioned at sub-regulation (7) of regulation 17 of these Regulations;
 - (d) The Applicant has satisfactory track record in respect of regulatory and supervisory compliance;
 - (e) the Board of the Applicant undertakes to meet all liabilities arising out of IIOs insurance or re-insurance business, as the case may be;
 - (f) The Board of the Applicant undertakes to comply with the assigned capital, solvency and other requirements as may be specified by the Authority from time to time.
- (2) A foreign insurer or foreign re-insurer or MGA or Lloyd's, as the case may be, desirous of setting up branch in an unincorporated form in an IFSC, shall meet with the following requirements -
- (a) the Applicant is registered or licensed for transacting insurance or re-insurance business, or both, in its home country or country of its incorporation or domicile;
 - (b) the Applicant has been granted No Objection Certificate by the regulatory or supervisory authority of its home country or country of its incorporation or domicile, to set up an IIO in an IFSC;
 - (c) the Applicant desirous to transact re-insurance business, shall comply with Net Owned Fund requirement specified under sub-section (3) of section 6 of the Insurance Act, 1938;
 - (d) the Board of the Applicant undertakes to comply with the assigned capital, solvency and other requirements as may be specified by the Authority from time to time;
 - (e) the Board of the Applicant undertakes to meet all liabilities arising out of IIO insurance or re-insurance business, as the case may be;
 - (f) the Applicant has satisfactory track record in respect of regulatory or supervisory compliance in its home country or country of incorporation or domicile and also in any other country in which it is functioning;
 - (g) the Applicant is registered or certified in a national regulatory environment with whom the Government of India has signed Double Taxation Avoidance Agreement;

- (h) the Board of the Applicant shall submit reporting structure of the officials as mentioned at sub-regulation (7) of regulation 17 of these Regulations;
- (i) the Applicant has a minimum credit rating having at least good financial security characteristics from any of the internationally renowned credit rating agencies for the last three years.
- (j) the Applicant shall submit all the details and information as may be required and shall comply with any additional requirements as may be specified by the Authority.

Explanation: In case where the Applicant is an MGA and the relevant Foreign Insurer or Foreign Re-insurer, the Authority may advise, to comply with applicable requirements.

- (3) '*Branch Office of foreign insurer*' or '*Lloyd's India*' registered by the IRDAI and desirous of setting up an office in an unincorporated form in an IFSC, shall meet with the following requirements:-
 - (a) the Applicant of the '*Branch Office of foreign insurer*' or '*Lloyd's India*' has been granted No Objection Certificate by the regulatory or supervisory authority of its country of incorporation, to set up an IIO in India;
 - (b) the Board of the Applicant of the '*Branch Office of foreign insurer*' or '*Lloyd's India*' shall undertake to comply with the assigned capital, solvency and other requirements as may be specified by the Authority from time to time;
 - (c) the Board of the Applicant of the '*Branch Office of foreign insurer*' or '*Lloyd's India*' undertakes to meet all liabilities arising out of business undertaken by the IIO;
 - (d) the Board of the Applicant of the '*Branch Office of foreign insurer*' or '*Lloyd's India*' shall submit to the Authority reporting structure of the officials as mentioned at sub-regulation (7) of regulation 17 of these Regulations;
 - (e) the Applicant shall submit all the details and information as may be required and shall comply with additional conditions as may be specified by the Authority.
- (4) A public company or a wholly owned subsidiary of an insurer or a re-insurer, desirous of setting up an IIO in an IFSC, shall be a company limited by shares, which is formed and registered under the Companies Act, 2013;

- (5) An insurance co-operative society desirous of setting up an IIO in an IFSC shall be a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force in any State relating to co-operative societies or under the Multi-State Cooperative Societies Act, 1984 (51 of 1984);
- (6) A Body corporate incorporated under the law of any country outside India, not being of the nature of a private company, desirous of setting up its place of business in an IFSC shall meet with the following requirements:
 - (a) it establishes its place of business in an IFSC, under the provisions of the Companies Act, 2013; and
 - (b) it is registered or certified in a national regulatory environment with whom the Government of India has signed Double Taxation Avoidance Agreement.
- (7) The Authority, before granting registration may satisfy itself that the Applicant, its Promoters, Principal Officer, Directors, Partners, Designated Partners or any other Key Managerial Personnel (KMPs) are fit and proper persons;
- (8) The Applicant entity and its promoters, partners or controlling shareholders shall be from a FATF compliant jurisdiction and comply with international standards set by the Financial Action Task Force to combat money laundering and terrorist financing.
- (9) Notwithstanding anything contained in these Regulations, the Authority may, specify such additional eligibility conditions and may require additional details and information to be submitted by a particular class of Applicants as it deems fit or may relax any of these eligibility conditions stated in these regulations, for reasons recorded in writing.

CHAPTER – III

PROCEDURE FOR REGISTRATION

6. An Applicant including Lloyd's seeking registration as an IIO may make an application in the relevant FORM as specified in the FIRST SCHEDULE of these Regulations;

7. (1) After considering the application the Authority, if satisfied, may grant certificate of registration in [***]³ [such FORM as may be specified by the Authority]⁴ subject to the conditions as specified under these Regulations or such other additional conditions as it may deem fit.

(2) The registration granted under sub-regulation (1) shall remain valid unless it is revoked or cancelled by the Authority .
8. If, after considering the application, the Authority is of the opinion that registration cannot be granted, it shall communicate the deficiencies to the Applicant giving it thirty days' time to rectify them.
9. If the Applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant registration and shall communicate the same to the Applicant, giving reasons for such refusal.

Provided that no such refusal shall be made by the Authority without giving the Applicant an opportunity to make written submissions on the grounds on which the registration is proposed to be refused.

CHAPTER - IV

PERMISSIBLE ACTIVITES

10. An IIO registered with the Authority may carry any of the following class of businesses as may be permitted by the Authority subject to such conditions as may be specified:-
 - (a) Life Insurance Business;
 - (b) General Insurance Business;
 - (c) Health Insurance Business; or
 - (d) Re-insurance Business.

Provided that the IIO registered as place of business of Indian Insurer or Branch Office of Foreign Insurer or Re-insurer shall be permitted to transact such class of business which is permitted to the Applicant by its home country regulatory or supervisory authority.

[*Provided further* that at the time of making the application, the applicant shall opt for category as specified in clause (A) of sub-regulation (2) of Regulation 5 of the Insurance

³ Omitted words “the relevant FORM as specified at FOURTH SCHEDULE of these Regulations, to the Applicant” by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

⁴ Replaced by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

Regulatory and Development Authority of India (Re-insurance) Regulations, 2018, under which it intends to participate in reinsurance business emanating from the DTA]⁵

11. An IIO shall conduct its business in any freely convertible foreign currencies other than INR, with such persons, whether resident in India or otherwise, as may be permitted by the Authority.
12. An IIO shall not engage itself in any business other than for which the registration has been granted by the Authority.
13. An IIO registered to transact direct insurance business may be permitted to do so within the IFSC, from other SEZs and also from outside India.
14. The IIO registered to transact direct insurance business shall not write direct insurance business from the DTA except in accordance with Section 2CB of the Insurance Act, 1938.
15. In case of re-insurance business, the IIO -
 - (1) may accept re-insurance business from the cedents based in the IFSC, in relation to risk emanating from other SEZs and re-insurance business from outside India;
 - (2) may accept re-insurance business from the insurers operating in DTA in accordance with the order of preference for cession specified in the IRDAI (Re-insurance) Regulations, 2018.
16. An IIO may render such other insurance or re-insurance business related services as may be specified by the Authority;

Provided that the applicant shall obtain prior approval of the Authority for rendering of such services, subject to such conditions as may be specified.

CHAPTER – V

BASIC REGULATORY AND GOVERNANCE REQUIREMENTS

17. An IIO shall follow following basic regulatory requirements or such other requirements as may be specified by the Authority -
 - (1) **Net Owned Funds (NOF):**

⁵ Inserted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

- (i) an Applicant, being a foreign company engaged in re-insurance business through a branch established in an IFSC shall comply with Net Owned Funds requirement prescribed under sub-section (3) of section 6 of the Insurance Act, 1938;
- (ii) an Applicant may demonstrate compliance with NOF requirement in any freely convertible foreign currency; and
- (iii) The NOF shall be maintained by the Applicant at all times during the subsistence and validity of certificate.

Provided that where the Applicant is an MGA, the relevant Foreign Insurer or Foreign Re-insurer shall comply with the NOF requirements;

Provided further that where the Applicant is other than public company, the NOF shall be as specified by the Authority.

- (2) **Assigned Capital:** An Indian Insurer desirous of setting up place of business, a Foreign Insurer, a Foreign Re-insurer or MGA or Lloyd's desirous of setting up branch office in an IFSC shall maintain a minimum assigned capital in any freely convertible foreign currency equivalent to USD 1.5 million:

Provided that -

- (a) The assigned capital shall be earmarked and held by the Applicant in the home country, country of its incorporation or domicile;
- (b) Such assigned capital shall be invested as per the requirements of its home country regulatory or supervisory authority; and
- (c) The assigned capital including additional assigned capital, if any, as mandated by the Authority, shall be maintained by the Applicant at all times during the subsistence and validity of registration of IIO.

Provided further that where the Applicant is an MGA, the relevant Foreign Insurer or Foreign Re-insurer shall comply with the Assigned Capital requirements.

- (3) **Paid-up Equity Capital:**

A Public Company, a Wholly Owned Subsidiary of an insurer or a re-insurer, an insurance co-operative society or a Body Corporate seeking registration from the Authority shall comply with paid-up equity capital requirements as prescribed under sub-section (1) of section 6 of the Insurance Act, 1938.

(4) Solvency Margin Requirement:

- (i) An Applicant registering an IIO as ‘place of business’ of Indian Insurer, ‘branch office’ of the foreign insurer, foreign re-insurance, MGA or Lloyd’s shall maintain such solvency margin for its IIO, as stipulated by its home country regulatory or supervisory authority;

Provided that -

- (a) Such solvency margin may be maintained in the home country, country of its incorporation or domicile;
- (b) The assets backing such solvency margin shall be invested as per the requirements of its home country regulatory or supervisory authority;
- (c) The assets backing such solvency margin shall remain unencumbered at all times during the subsistence and validity of certificate; and
- (d) The IIO shall furnish a quarterly certificate issued by the Appointed Actuary of the Applicant, to the effect that assets, liabilities and solvency margin on behalf of IIO are being maintained at Head Office of the Applicant.

Provided further that where the Applicant is an MGA, the relevant Foreign Insurer or Foreign Re-insurer shall comply with the Solvency Margin requirements.

- (ii) A public company, a wholly owned subsidiary of an insurer or a re-insurer, an insurance co-operative society or a body corporate registering an IIO in an IFSC shall maintain such solvency margin as may be specified by the Authority.

- (5) An IIO shall comply with provisions of the Act rules, regulations, circulars and guidelines issued thereunder.

(6) Commencement of Business Operations -

- (i) An IIO shall commence business, for which it has been registered, within twelve (12) months from the date of grant of Certificate of Registration by the Authority;

Provided that if an IIO is not able to commence business within the specified period of twelve (12) months, it can, before the time limit expires, but at least thirty days in advance, shall make an application, for extension of time, to the Chairperson of the Authority.

- (ii) On receipt of the application, the Chairperson of the Authority, shall examine it and communicate the decision thereon, in writing;

Provided that no extension of time shall be granted by the Chairperson of the Authority beyond eighteen (18) months from the date of grant of certificate of registration.

(7) An Applicant desirous of setting up a place of business or branch as the case may be, including Applicant of Service Company of Lloyd's IFSC or MGA shall, with prior permission of the Authority, appoint a Principal Officer for the IIO or Service Company of Lloyd's IFSC, as the case may be, who shall be responsible for the day to day administration of the IIO as well as for its regulatory compliances -

- (i) An Applicant, other than Lloyd's, for its IIO shall appoint –
 - (a) Principal Officer;
 - (b) An Officer in-charge of underwriting of risk having relevant experience; and
 - (c) An officer in-charge of finance and accounts having relevant experience.
- (ii) An Applicant of Lloyd's IFSC shall appoint –
 - (a) Principal Officer, and
 - (b) An officer in-charge of finance and accounts having relevant experience.

Provided that an officer in-charge of finance and accounts of Lloyd's IFSC shall also be responsible for finance and accounts related matters of Service Companies of Lloyd's IFSC;

- (iii) An Applicant of Service Company of Lloyd's IFSC shall appoint –
 - (a) Principal Officer, and
 - (b) An Officer in-charge of underwriting of risk having relevant experience.
- (iv) The above-mentioned officers shall –
 - (i) be in direct employment of the IIO or the Service Company of Lloyd's IFSC as the case may be, and shall be resident in India; and
 - (ii) satisfy the *'fit and proper'* criteria as specified by the Authority.

(8) The Applicant other than those mentioned in sub-regulation (7) of Regulation 17, with prior permission of the Authority, shall :-

- (a) appoint at least the following Key Managerial Persons (KMP) who shall be responsible for the day to day administration and regulatory compliance of the IIO:-
 - (i) a Chief Executive Officer;
 - (ii) a Chief Finance Officer; and
 - (iii) a Chief Underwriting Officer,
- (b) the IIO shall appoint such additional Key Managerial Persons as may be specified by the Authority from time to time;
- (v) The above-mentioned Key Managerial Persons shall:
 - (i) be in direct employment of the IIO and resident in India, and
 - (ii) satisfy the '*fit and proper*' criteria as specified by the Authority.
- (9) The IIOs shall comply with such re-insurance and retrocession related requirements as may be specified by the Authority from time to time.
- (10) An IIO shall maintain its books of accounts, records and documents in such form and manner as may be specified by the Authority;
- (11) An IIO shall comply with the Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines as may be issued by the Authority from time to time.
- (12) **Reporting requirements:**
 - (i) Every IIO shall furnish information relating to its operations to the Authority, in such manner, interval and in such FORM, as may be specified by the Authority;
 - (ii) Every financial reporting by a IIO to the Authority shall be in USD, unless otherwise specified by the Authority.
- (13) **Operational Requirements:**
 - (i) An IIO shall pay such fee and charges, as may be specified by the Authority;
 - (ii) An IIO may be permitted to have an INR account out of the freely convertible foreign currency to defray its administrative, statutory expenses and for such other purposes as may be specified by the Authority.
- (14) **Change in shareholding:** A public company granted registration as an IIO shall seek prior approval of the Authority for any change in the shareholding exceeding

five *per cent.* of its paid-up equity share capital, whether by way of transfer of existing shares or by way of fresh issue of shares to either new or existing shareholder.

Provided that any change in shareholding which is less than five *per cent.* of its paid-up equity share capital shall be done with the prior intimation to the Authority.

- (15) Beside those requirements, an IIO shall follow such prudential norms, as may be specified by the Authority.

Chapter VI MISCELLANEOUS

18. **Power to specify procedures and issue clarification:** For the purpose of implementation of these Regulations and matter incidental thereto, or in order to facilitate and regulate financial services related to insurance and re-insurance in an IFSC, the Authority may specify such norms, procedures, processes, manners or provide clarification and relaxations, by way of guidelines or circulars, as it may deem fit.
19. **Inspection, Investigation and Information:** The Authority shall have the power to inspect and/or investigate the affairs of the IIO including calling for the information from the IIO, its employees and the Applicant, so far as it relates to its activities as an IIO.
20. **Action in case of Default:**
- (1) If pursuant to an inspection and/or investigation or otherwise, the Authority is of the opinion that the operations of an IIO are not being conducted in accordance with the provisions of the Act, rules or regulations made or circulars and guidelines issued thereunder or its activities are not in the interests of the insurance market or in the public interest, the Authority may take appropriate disciplinary action against it including but not limited to suspension or cancellation of certificate of registration, after giving an opportunity to the IIO of making its submissions.
- (2) Without prejudice to the above, the Authority may take any other action as it deems fit, under the Act and other applicable laws.
21. **Surrender of Certificate of Registration:** An Applicant may be allowed to close its IIO and surrender its Certificate of registration only with the prior approval of the Authority and subject to such conditions as may be specified by the Authority.

22. Repeals and saving:

- (1) From the date of publication of these Regulations in the official gazette, the provisions of the Insurance Regulatory and Development Authority of India Guideline No. IRDA/RI/GDL/SEZ/269/12/2017 dated 21st December, 2017, shall stand repealed;
- (2) Notwithstanding the above, anything done or any action taken or purported to have been done or taken in respect of the guidelines mentioned in sub-regulation (1) shall be deemed to have been done or taken under the corresponding provisions of these Regulations;
- (3) An IIO operating in the IFSC prior to the notification of these Regulations, shall comply with additional requirements, if any, introduced through these Regulations, within a period of three months from the date of notification of these Regulations or within such extended time as may be permitted by the Authority.

FIRST SCHEDULE **[Refer Regulations 4 (2)]**

[FORM – A Omitted]⁶

[FORM – B Omitted]⁷

[FORM – C Omitted]⁸

[FORM – D Omitted]⁹

SECOND SCHEDULE **[Refer Regulations 4]**

Provisions applicable for Lloyd’s and Lloyd’s IFSC:

1. Definitions applicable for Lloyd’s and Lloyd’s IFSC:
 - (a) “administrator”, for the purposes of these Regulations means Lloyd’s IFSC, except “members of Lloyd’s”

⁶ FORM – A Omitted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

⁷ FORM – B Omitted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

⁸ FORM – C Omitted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

⁹ FORM – D Omitted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

- (b) “binding authority” means an agreement between a Service Company and a coverholder under which the Service Company authorises the coverholder to enter into a contract of insurance on behalf of the members of a syndicate for whom the Service Company acts as an agent;
- (c) “Chain of Security”, in relation to a member of Lloyd’s, means the member’s premiums trust fund, funds at Lloyd’s as defined in paragraph 17 of the Lloyd’s Membership Byelaw (No. 5 of 2005), other personal wealth of the member and the New Central Fund;
- (d) “Council of Lloyd’s” means the Council of Lloyd’s established by the Lloyd’s Act 1982 of the United Kingdom;
- (e) “Coverholder”, in relation to a Service Company, means a person authorised by the Service Company under a binding authority to enter into a contract of insurance on behalf of the members of a syndicate —
 - (i) for whom the Service Company acts as an agent; and
 - (ii) who have authorised the Service Company to enter into such binding authority with the person;
- (f) “Principal officer”, in relation to the administrator or a Service Company, means any person, by whatever name described,
 - (i) who —
 - a) is in the direct employment of the administrator or the Service Company, as the case may be;
 - b) is acting for the administrator or the Service Company, as the case may be; or
 - c) has an arrangement with the administrator or the Service Company, as the case may be, to act for the administrator or the Service Company; and
 - (ii) who is concerned with or takes part in the management of the administrator or the Service Company, as the case may be, on a day-to-day basis;
- (g) ‘Managing Agent’ means:
 - (i) a person listed as a managing agent on the register of underwriting agents maintained under the Lloyd’s Underwriting Byelaw (No. 2 of 2003); or
 - (ii) a person appointed to perform the functions of a managing agent under Part K of the Lloyd’s Underwriting Byelaw (No. 2 of 2003);
- (h) ‘Members of Lloyd’s’ means a person admitted to membership of Lloyd’s as an underwriting member who wish to participate in Lloyd’s at the IFSC;
- (i) ‘Service Companies of Lloyd’s IFSC’ or “Service Companies” means:

- i) Service Companies promoted by Managing Agents of Lloyd's
 - ii) Service Companies promoted by Companies registered in India under Companies Act, 2013 and meets the specified criteria;
 - (j) 'Syndicate' means a *member* or group of *members* underwriting insurance business at Lloyd's through the agency of a *managing agent* or a *substitute agent* to which a syndicate number is assigned by the *Council of Lloyd's*.
 - (k) 'Syndicates of Lloyd's IFSC' means Syndicates of Lloyd's who wish to participate in Lloyd's IFSC through a service company or coverholder delegated authority arrangement.
2. Constituents of Lloyd's IFSC include:
- (a) Members of Lloyd's,
 - (b) Syndicates
 - (c) Service companies who wish to underwrite re-insurance business on behalf of Syndicates,
3. Lloyd's IFSC being a market shall ensure that the market and the constituents are housed within an office location of Lloyd's IFSC for the conduct of insurance or re-insurance business.
4. **Conditions on transacting insurance or re-insurance business:** A member of Lloyd's may transact insurance business from Lloyd's IFSC if –
- (1) the member registers with the administrator in accordance with regulation 5 of SECOND SCHEDULE;
 - (2) the member carries on insurance business, and enters into contracts of insurance, in Lloyd's IFSC through a Service Company;
 - (3) the member authorises Service Company acting on behalf of it for the purposes of these Regulations to accept service of notices and legal processes in respect of or connected to the carrying on of insurance business in the IFSC, including any notice or direction of the Authority to the member; and
 - (4) Lloyd's has given an undertaking to the Authority that the holder of any insurance policy issued by the member under these Regulations shall have recourse to the Chain of Security, in accordance with and subject to the terms of the relevant Lloyd's trust deeds and Lloyd's byelaws, conditions and requirements governing the trust deeds, to the same extent as the holder of a general business policy issued by the same member of Lloyd's in London.

5. Members of Lloyd's:

- (1) A member of Lloyd's who wish to transact insurance business in an IFSC under these Regulations shall apply for registration with the administrator;
- (2) An application for registration under sub-regulation (1) shall be in such form and contain such particulars as the administrator may determine;
- (3) the administrator shall not register the Applicant unless it is satisfied that the
 - (a) Applicant is a member of Lloyd's; and
 - (b) Applicant has appointed one or more Service Companies through which it intends to transact insurance or re-insurance business in an IFSC.
- (4) Lloyd's IFSC in specified format shall inform the Authority the details of Members of Lloyd's who wish to participate in an IFSC;
- (5) The list of Members of Lloyd's underwriting through Service Companies of Lloyd's IFSC shall be furnished to the Authority on an annual basis.

6. Norms for establishing Service Companies of Lloyd's IFSC: Managing Agents of Lloyd's and companies registered under Companies Act, 2013 wishes to participate in Lloyd's IFSC shall set up a service company with the following norms:

- (1) The service company may be a private or a public company registered with Registrar of Companies in India, with a minimum paid up capital of INR five lakh;
- (2) The main objects of Memorandum of Association and Article of Association shall be to provide all technical, underwriting, binding risks, settling claims, administrative, accounting, investment, regulatory and other assistance to the syndicate(s) whom they represent;
- (3) The service company shall be responsible for all statutory & regulatory filings and compliances on behalf of the syndicate it represents;
- (4) Any other requirement that may be specified by the Authority from time to time.

7. Registration of service company at Lloyd's IFSC:

- (1) The Managing Agents of Lloyd's who wish to set-up a service company on behalf of members of Lloyd's under these Regulations, shall make an application for registration with administrator;
- (2) An application for registration under sub-regulation (1) shall be in such form and contain such particulars as the administrator may determine;
- (3) Upon receiving an application under sub-regulation (1), the administrator shall —

- (i) inform the Authority in writing about receipt of such application and furnish the particulars of the Applicant specified by the Authority and such other information as the Authority may require; and
 - (ii) register the Applicant unless the Authority objects to the registration.
- (4) The service company shall indicate the syndicate(s) that it represents at Lloyd's IFSC;

8. Undertakings to be submitted by service company to Lloyd's IFSC:

- (1) The service company shall submit the Lloyd's Service Company Coverholder Undertaking through which the Service Company agrees to comply with all relevant rules and requirements of Lloyd's and the local legal, fiscal, taxation and regulatory authorities;
- (2) The service company shall also submit the Lloyd's Coverholder Decision Paper which provides detailed information on the proposed Service Company, including:
 - (a) the level of underwriting and claims authority granted to the Service Company,
 - (b) the business strategy for the Service Company,
 - (c) details relating to principal staff operating in the Service Company,
 - (d) financial information,
 - (e) professional indemnity details,
 - (f) classes of business to be underwritten by the Service Company,
 - (g) the approach the Service Company will take to ensure compliance with registration requirements
 - (h) other requirements as specified by Lloyd's subject to approval of the Authority.
- (3) Subsequent to submitting the decision paper, the service company shall perform Lloyd's Service Company Self- Assessment against the Lloyd's Minimum Standards which includes information such as any internal audit carried out on the Service Company;
- (4) Any other requirement that may be specified by the Authority from time to time.

9. Conditions governing service companies of Lloyd's IFSC:

- (1) The service companies of Lloyd's IFSC shall be subject to compliance of the conditions laid down by Lloyd's or Lloyd's IFSC as the case may be;
- (2) The service companies shall enter into Service Company Underwriting Agreement, a contract that delegates authority to the service company from the Members of the relevant syndicates;

- (3) The service company of Lloyd's IFSC under the Service Company Underwriting Agreement shall be responsible for the following -
 - (a) Binding insurances and amendments thereto on behalf of Members of Lloyd's;
 - (b) Acting on behalf of Members of Lloyd's for the purpose of receiving premiums from insured, reinsured's and settling refunds and to receive claims money prior to onward transmission to insured, reinsured's;
 - (c) management and control of expenses;
 - (d) employment of underwriting staff;
 - (e) Any other task that may be entrusted to it by Managing Agent to carry out the business of re-insurance in an efficient manner.

- (4) The service company or any coverholder authorized by the Service Company shall undertake the following -
 - (a) issuance of documents evidencing the contracts of insurance, endorsements and other such documents evidencing cover as may be agreed in writing by the underwriters;
 - (b) collect and process premiums and return premiums on behalf of the underwriters;
 - (c) handle claims and/or settle claims, if authorised;
 - (d) shall use prominently the name of the Syndicates which they represent and that they are merely writing on Syndicates capacity and not acting as insurers themselves;
 - (e) compliance to the conditions laid down by Lloyd's IFSC;
 - (f) compliance of Act, regulations, guidelines, circulars issued by the Authority;
 - (g) compliance to any other requirement that may be specified by the Authority from time to time;

- (5) A Service Company shall be responsible for accepting and responding to notices and legal processes to concerned members of Lloyd's transacting insurance business in an IFSC under these Regulations.

10. Cancellation of registration of Service Company:

- (1) The Authority may, on any of the grounds set out in sub-regulation (2) direct the administrator to cancel the registration of any Service Company;

- (2) The grounds referred to in sub-regulation (1) are –
 - (a) that the Service Company has not commenced business within 12 months after being registered under regulation 7 of second schedule;

 - (b) that the Service Company has ceased to act as an agent in an IFSC for any member of Lloyd's;

- (c) that it appears to the Authority that the Service Company has failed to satisfy an obligation to which it is subject to by virtue of these Regulations;
- (d) that the Service Company is carrying on its business in a manner likely to be detrimental to the interest of the policy holders or insurance market ;
- (e) that the Service Company has contravened any of the provisions of the Insurance Act, 1938, any of the regulations made thereunder or any direction given by the Authority under the Act or the regulations made thereunder;
- (f) that any of the officers of the Service Company holding a managerial or executive position has been convicted of any offence under the Insurance Act, 1938, Act or the regulations made thereunder;
- (g) that the Service Company has, in its application for registration under Regulation 7 (1) of SECOND SCHEDULE, furnished false, misleading or inaccurate information, or concealed or failed to disclose material facts.

THIRD SCHEDULE
[Refer Regulations 4]

Provisions applicable for MGA and relevant Foreign Insurer or Foreign Re-insurer

1. **Norms for establishing MGA in an IFSC:** An MGA registered under Companies Act, 2013, desirous to transact insurance business in an IFSC, shall set up a company with the following norms:
 - (1) The MGA may establish a private or a public company registered with Registrar of Companies in India, with a minimum paid up capital of INR five lakh;
 - (2) The main objects of Memorandum of Association and Article of Association shall be to provide all technical, underwriting, binding risks, settling claims, administrative, accounting, investment, regulatory and other assistance to the foreign insurer or foreign re-insurer to whom they represent;
 - (3) The MGA shall be responsible for all statutory & regulatory filings and compliances on behalf of the foreign insurer or foreign re-insurer it represents;
 - (4) Any other requirement that may be specified by the Authority from time to time.

2. Conditions on transacting insurance or re-insurance business:

- (1) An MGA may transact insurance business from an IFSC if –
 - (a) relevant foreign insurer or foreign re-insurer carries on insurance business, through an MGA and enters into contracts of insurance, in an IFSC;
 - (b) the foreign insurer or foreign re-insurer authorises MGA acting on behalf of it for the purposes of these Regulations to accept service of notices and legal processes in respect of or connected to the carrying on of insurance business in an IFSC, including any notice or direction of the Authority to such the foreign insurer or foreign re-insurer; and
 - (c) such the foreign insurer or foreign re-insurer has given an undertaking to the Authority that it shall meet claims against the MGA underwriting insurance or re-insurance on its behalf in an IFSC.
- (2) The MGA shall submit an undertaking through which it agrees to comply with all relevant rules and requirements of relevant foreign insurer or foreign re-insurer for acting on its behalf from an IFSC and also compliance with the local legal, fiscal, taxation and regulatory authorities;
- (3) The MGA shall also submit certified copy of *'binding agreement'* which provides detailed information on the proposed MGA, including but not limited to the following:
 - (a) the level of underwriting and claims authority granted to the MGA,
 - (b) the business strategy for the MGA,
 - (c) details relating to principal staff operating in the MGA,
 - (d) financial information,
 - (e) professional indemnity details,
 - (f) classes of business to be underwritten by the MGA,
 - (g) the approach the MGA will take to ensure compliance with registration requirements
 - (h) other requirements as may specified by relevant foreign insurer or foreign re-insurer.
- (4) The MGA under the *'binding agreement'* shall be responsible for the following –
 - (a) Binding insurances and amendments thereto on behalf of foreign insurer or foreign re-insurer;
 - (b) Acting on behalf of foreign insurer or foreign re-insurer for the purpose of receiving premiums from insured, re-insured's and settling refunds and to

- receive claims money prior to onward transmission to insured, re-insured's;
- (c) management and control of expenses;
 - (d) employment of underwriting staff;
 - (e) Any other task that may be entrusted to it by foreign insurer or foreign re-insurer to carry out the business of re-insurance in an efficient manner.
- (5) The MGA shall undertake the following –
- (a) issuance of documents evidencing the contracts of insurance, endorsements and other such documents evidencing cover as may be agreed in writing by the foreign insurer or foreign Re-insurer;
 - (b) collect and process premiums and return premiums on behalf of the foreign insurer or foreign Re-insurer;
 - (c) handle claims and/or settle claims, if authorised;
 - (d) shall use prominently the name of the foreign insurer or foreign Re-insurer which it represent and that the MGA is merely writing on such foreign insurer or foreign Re-insurer's capacity and not acting as insurers themselves;
 - (e) compliance of Act, rules, Regulations, guidelines, circulars issued by the Authority from time to time;
 - (f) An MGA shall be responsible for accepting and responding to notices and legal processes to concerned foreign insurer or foreign Re-insurer transacting insurance business in an IFSC under these Regulations;
- (6) Any other requirement that may be specified by the Authority from time to time.

FOURTH SCHEDULE
[Refer Regulations 7]

[FORM – A Omitted]¹⁰

[FORM – B Omitted]¹¹

INJETI SRINIVAS, Chairperson
[ADVT. xxx/x/Exty./xxx/2021]

¹⁰ FORM – A Omitted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.

¹¹ FORM – B Omitted by International Financial Service Centre (Registration of Insurance Business) (Amendment) Regulations, 2024.