



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Guidelines

Insurance Regulatory and Development Authority of India (International
Financial Service Centre Insurance Intermediary Offices) Guidelines, 2019

Guidelines Reference No. IRDA/RI/GDL/MISC/012/01/2019, dated 16-01-2019

CHAPTER – I

1. **Objective:**

The aim of these Guidelines is to grant permission to “Intermediaries or Insurance Intermediaries” registered by the Authority to undertake operations in International Financial Service Centre (IFSC) as per the objectives of the IFSC.

2. **Legal and Other Provisions:**

In exercise of the powers conferred by Section 18 (2) of Special Economic Zones Act, 2005 read with Section 14 of IRDA Act, 1999, the Authority hereby makes the following Guidelines;

3. **Short Title and Commencement:**

- i. These Guidelines may be called the Insurance Regulatory and Development Authority of India (International Financial Service Centre Insurance Intermediaries Offices) Guidelines, 2019.
- ii. These Guidelines shall come into force from the date of issuance.

4. **Definitions:**

In these Guidelines, unless the context otherwise requires -

- a. ‘**Act**’ means the Insurance Act, 1938;
- b. ‘**Applicant**’ means an intermediary or insurance intermediary registered with the Authority under Section 42D of the Act;
- c. ‘**Authority**’ means the Insurance Regulatory and Development Authority of India established under Section 3(1) of the Insurance Regulatory and Development Authority Act 1999 (41 of 1999);
- d. “**Authorization**” means permission granted by the Authority to the applicant to act as an IIO;
- e. ‘**Domestic Tariff Area (DTA)**’ means the area as defined under Section 2(i) of the Special Economic Zones Act, 2005;
- f. ‘**International Financial Service Centre**’ or ‘**IFSC**’ means an International Financial Services Centre which has been approved by the Central Government under Section 18(1) of the Special Economic Zones Act, 2005;
- g. ‘**International Financial Service Centre Insurance Intermediary Office**’ or ‘**IIO**’ means a branch office of applicant in IFSC as authorized by the Authority;
- h. ‘**Intermediary or Insurance Intermediary**’ means a person as defined in section 2 (f) of the IRDA Act, 1999 and granted certificate of registration by the Authority;
- i. ‘**Special Economic Zone**’ or ‘**SEZ**’ means a special economic zone as defined under Section 2 (za) of the Special Economic Zone Act, 2005;
- j. All Words and expressions used herein but not defined in these Guidelines but defined in the Insurance Act, 1938 (4 of 1938) or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or The Special Economic Zones Act, 2005 (28 of 2005) shall have the meanings respectively assigned to them in those Acts, Rules, Regulations issued under those Acts, as the case may be.

CHAPTER II

AUTHORIZATION OF IFSC INSURANCE INTERMEDIARY OFFICE (IIIO)

5. **Applicability:**

- a) These guidelines are applicable for the applicants who wish to undertake operations as IFSC Insurance Intermediary Office (IIIO) and to IIIOs;
- b) No person or entity shall commence or undertake or render services as an insurance intermediary from an IFSC without obtaining prior permission from the Authority, to act as an IIIO.
- c) The applicant may apply for any one of the following categories of intermediary;
 - i) Insurance Broker;
 - ii) Corporate Agent;
 - iii) Surveyor and Loss Assessor;
 - iv) Third Party Administrator – Health Services;
 - v) Any other category of intermediary recognized by the Authority from time to time.

Provided that, the applicant may seek authorization to act as an IIIO for such category of above mentioned intermediaries for which it has been registered with the Authority.

6. **Eligibility norms** - The Authority may consider requests from those applicants to set-up IIIO that meet the following criteria:

- i) The applicants are eligible to set-up an IIIO provided, they hold a valid certificate of registration issued by the Authority and the same has not been suspended or canceled.
- ii) The applicant shall be eligible to apply for authorization in the category for which it has been granted certificate of registration by the Authority.
- iii) Any other requirement that may be stipulated by the Authority from time to time.

7. The Authority may take a decision on the number of intermediaries that may be permitted to set-up offices in IFSC in a year depending on the orderly growth of the insurance and reinsurance market, national interest, or other related aspects.

CHAPTER – III

8. **Application for grant of authorization to undertake operations as IIIO:**

- a) Every application for grant of authorization of the insurance intermediary shall be accompanied with;
 - i) Copy of certificate of registration issued by the Authority;
 - ii) A provisional letter of allotment (PLoA) of space to operate from IFSC, issued by IFSC - SEZ Authorities;
 - iii) Certified copy of approval from the board of directors or its equivalent of the applicant through a resolution to set up such IIIO in IFSC;

- iv) Any other requirement that may be stipulated by the Authority from time to time.
 - b) **Furnishing of further information and clarification, etc.** - The Authority may require the applicant, to furnish further information or clarification regarding the matters relevant to consider the grant of authorization.
9. **Consideration of application for authorization as IIIO:-**
- a) The Authority shall take into account all matters relating to carrying on the insurance intermediary business by the applicant while considering its request to act as IIIO.
 - b) In particular, and without prejudice to the generality of the foregoing, the Authority shall consider the following matters, namely: -
 - i) the general track record of conduct and performance of applicant in the respective field they are engaged in;
 - ii) the record of conduct and performance of the directors and persons in management of the applicant;
 - iii) the planned infrastructure of the IIIO, to effectively act as an insurance intermediary;
 - iv) the proposed business plan for next three (3) years; and
 - v) other relevant matters for carrying out the provisions of the Act.
 - c) The Authority on being satisfied with the information submitted and on verification that-
 - i) the Form IRDAI/ IIIO/ R1 is complete in all respects and is accompanied by all documents required therein;
 - ii) the IIIO of the applicant is capable of carrying on all functions in respect of the insurance intermediary business;may accept the application for operating as an IIIO.
10. **Procedure for issuance of authorization as an IIIO** – The Authority, on being satisfied that;
- a) the applicant is eligible, and in its opinion, is likely to meet effectively its obligations as an insurance intermediary specified under the Act and respective regulations thereunder;
 - b) the financial condition and the general character of management of the applicant are sound;
 - c) the interests of the insurance sector will be served if the authorization is granted to the applicant in respect of the category of intermediary business specified in the application;
- may authorise the applicant to act as an IIIO for the category for which the application is made.
11. **Validity of authorization as an IIIO:** The authorization granted by the Authority for the first time shall be valid till the expiry of the certificate of registration issued by the Authority and thereafter for a period co-terminus with the expiry of the original certificate of registration.

12. **Conditions of authorization to IIIO** - The authorization granted shall be subject to all the conditions which the applicant is subject to and those referred to under the SEZ Act, 2005 and the Rules, Regulations, Circulars, Guidelines and any other instructions issued there under from time to time.

13. **Rejection of authorization application;**

- a) Where the requirements under these guideline nos. 8 and 9 are not complied with, the Authority may, after giving the applicant a reasonable opportunity of being heard, reject the application.
- b) The order for rejecting the application under guideline 13 (a) shall be communicated by the Authority within thirty days of such rejection to the applicant in writing, stating therein the ground on which the application has been rejected.

14. **Time Limit:**

- a) An applicant authorized under these guidelines shall commence insurance intermediation business within three months of the date of authorization.

Provided, however, that if the IIIO is not able to commence the insurance intermediation business within the specified period of three months, it can before the time limit expires, seek an extension, by a proper written application, to the Chairperson of the Authority.

- b) The Chairperson of the Authority on receipt of the request will examine it and communicate its decision in writing either rejecting the request or granting it.

Provided, no extension of time shall be granted by the Chairperson of the Authority beyond six months from the date of grant of authorization.

CHAPTER – IV

Renewal & Voluntary Surrender of authorization

15. **Renewal of authorization;**

- a) The renewal of authorization shall be part of the renewal application of the insurance intermediary for certificate of registration. No separate application shall be submitted.
- b) The renewal of authorization shall be co-terminus with the period of certificate of registration of the insurance intermediary.

16. **Voluntary Surrender of authorization;**

- a) An applicant may make an application to the Authority for surrender of its authorization to act as an IIIO. The Authority may consider such application on merit. No IIIO shall be closed without the prior approval of the Authority;
- b) Upon acceptance of the application for surrender made by the applicant, the Authority may pass an order.

Provided that, the intermediary whose application for surrender of authorization is accepted by the Authority, shall forthwith inform the concerned insurers and or reinsurers as the case may be for taking alternative steps such as appointment

of another intermediary or undertaking for the servicing of the affected policies as may be necessary, immediately, to continue to cater to the insured or policyholders serviced by such intermediary.

CHAPTER - V

OPERATIONS OF IIIO's

17. Operational guidelines pertaining to IIIO:

The IIIO authorized by the Authority to undertake insurance intermediary business shall ensure compliance to the following minimum requirements:

- a) Scope of Operations
 - i) An IIIO shall be a branch office of the applicant;
 - ii) IIIOs are authorized to undertake insurance intermediary business to the extent permitted under the SEZ Act and Rules framed thereunder;
 - iii) IIIOs can undertake insurance intermediary business emanating outside the country;
 - iv) No IIIO shall undertake insurance intermediary business, which is otherwise not permitted to the applicant by the Authority.
- b) Capital: The IIIO is not required to bring in additional capital.
- c) Appointment of In-charge of IIIO: The applicant shall inform the Authority within 10 days on the appointment, reappointment and removal of the person in-charge of IIIO.
- d) Accounting – The IIIO shall maintain separate financial returns including statement of accounts.
- e) Duties, Functions and Obligations – The applicant shall be responsible for the discharge of the duties, functions and obligations by the IIIO as per applicable extant regulations, circular guidelines notified by the Authority.
- f) Reporting requirements of the IIIO by the applicant to the Authority- The applicant shall submit half-yearly regular returns on the following aspects as may be stipulated by the Authority from time to time -
 - i. Financial reporting
 - ii. Business Reporting
 - iii. Others
- g) Foreign Exchange Requirements - All applicants shall comply with extant Foreign Exchange Management (IFSC) Regulations, 2015 or any other corresponding circular guidelines issued by RBI, from time to time, in the matter of currency transactions in IFSC and any other laws as applicable to SEZs.
- h) Further powers of the Authority
 - i) The Authority shall have the right to call, inspect or investigate any document, record or communication from the IIIO.

- ii) Notwithstanding the above, where the Authority is of the opinion that, the operations of IIO are not in the interests of the insurance sector, the Authority reserves the right to take appropriate steps including withdrawal of authorization after giving adequate opportunity to the applicant of being heard.
18. **Applicability of extant regulatory framework** - Save as provided for in these guidelines the extant provisions applicable to the respective insurance intermediaries which include but not limited to code of conduct, suspension or cancellation, compliance requirements shall apply mutatis mutandis to IIOs.
19. **Power of the Authority to issue clarifications:** In order to remove any difficulties in respect of the application or interpretation of any of the provisions of these Guidelines, the Chairperson of the Authority may issue appropriate clarifications from time to time.
20. **Repeal and Savings:**
- a. From the date of issuance of these guidelines, the following guidelines shall be superseded:
- i. IRDAI (International Financial Service Centre) Guidelines, 2015 issued vide Ref. No. IRDA/NL/GDL/MISC/065/04/2015 dated 06-04-2015 along with all forms and circulars issued there under.
 - ii. Circular No. IRDA/NL/CIR/MISC/019/01/2016 dated 28-01-2016
 - iii. The IIOs which have been issued permission by the Authority as per provisions of guidelines with Ref. No. IRDA/NL/GDL/MISC/065/04/2015 dated 06-04-2015 and Circular No. IRDA/NL/CIR/MISC/019/01/2016 dated 28-01-2016 continue to be valid as on the date of issuance of these guidelines shall be deemed to be holding valid authorization as if they have been issued under these guidelines.
- b. Applications for grant of permission as an IIO, which are filed as per provisions of guidelines with Ref. No. IRDA/NL/GDL/MISC/065/04/2015 dated 06-04-2015 and Circular No. IRDA/NL/CIR/MISC/019/01/2016 dated 28-01-2016 and under process with the Authority as on the date of issuance of these guidelines, shall be processed for grant of authorization under these guidelines.
- c. Where any inspection has been conducted or proceedings have been initiated by the Authority as per guidelines with Ref. No. IRDA/NL/GDL/MISC/065/04/2015 dated 06-04-2015 and Circular No. IRDA/NL/CIR/MISC/019/01/2016 dated 28-01-2016; they shall continue to be governed by above mentioned guidelines only till their final disposal.



SUJAY BANARJI
MEMBER (DISTRIBUTION)

Date: 16-01-2019

**FORM IRDAI/ IIIO/ R1
(under Guideline 9(c))
[AUTHORIZATION APPLICATION FOR IIIO]**

1. Name of the applicant:
2. Address:
3. Date of incorporation as an intermediary: [DD/MM/YYYY]
4. Registration No. (issued by the Authority):
5. Category of Insurance Intermediary:
6. Name, Address and contact details of the person responsible for the affairs of the proposed IIIO.
7. Additional Information:

S. No.	Points	Response
1	Planned Infrastructure for proposed IIIO	
2	a) Office Infrastructure	
	b) Staff Strength	
	c) Details of IT Infrastructure	
3	Proposed revenue from operations of proposed IIIO for 3 years	
4	Proposed expenditure of operations of proposed IIIO for 3 years	
5	Profit Before Tax of the applicant for the previous 3 years	
6	Details of Regulatory / Governmental Action by way of specific directions, penalties, warnings, etc to the applicant in the last 3 years	

5. DECLARATION - THIS DECLARATION IS TO BE SIGNED BY TWO OF THE DIRECTORS, TWO OF THE PARTNERS AS THE CASE MAY BE.

- 1) We have gone through the IRDAI (III O) Guidelines, 2019 and are satisfied that:
 - a. We are eligible to apply for the authorization to act as IIIO.
 - b. We state that we have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of authorization.
 - c. We declare that the information supplied in the application form is complete and correct.

For and on behalf of

(Signature & Name)
Director / Partner
Place:
Date:

(Signature & Name)
Director / Partner
Place:
Date:

Documents attached:

- a) Copy of certificate of registration issued by the Authority;
- b) A provisional letter of allotment (PLoA) of space to operate from IFSC, issued by IFSC - SEZ Authorities.
- c) Certified copy of approval from the board of directors or its equivalent of the applicant through a resolution to set up such IIIO.