

Division of Insurance Regulations, IFSCA



**Frequently Asked Questions (FAQs)
on
IFSCA (Managing General Agents) Regulations, 2026**

01 October 2026

Disclaimer: These FAQs are not the interpretation of law but intend to provide a clarity on the concepts related to the IFSCA (MGA) Regulations, 2026 (“MGA Regulations”). Any queries about the MGA Regulations may be addressed to IFSCA. In case of any disparity between these FAQs and the provisions of relevant Acts/regulations/rules, the latter shall prevail.

Q1	Is there a specific regulatory framework for undertaking insurance business in IFSCs as Managing General Agent (MGA)?
	Yes. The undertaking of insurance intermediary business as Managing General Agent (MGA) business in an International Financial Services Centre (IFSC) is subject to the provisions of the International Financial Services Centres Authority Act, 2019 (50 of 2019) (hereinafter, “the IFSCA Act”) and the Insurance Act, 1938 (4 of 1938) (hereinafter, “the Insurance Act”). In exercise of the powers conferred by these Acts, the International Financial Services Centers Authority (“IFSCA” or “Authority”) has developed regulatory framework, which enable entities to undertake the insurance intermediary business as MGA from IFSCs after registering themselves as an MGA with the Authority.
Q2	What is a Managing General Agent (MGA)?
	As per clause (m) of sub-regulation (1) of Regulation 3 of the IFSCA (Managing General Agents) Regulations, 2026, Managing General Agent (MGA) means an insurance intermediary registered under MGA regulations.
Q3	What are the regulations for registration of MGAs?
	For registration as an MGA, eligible entities are required to apply under the IFSCA (Managing General Agents) Regulations, 2026 (hereinafter, “MGA Regulations”) to enable undertaking of insurance intermediary business as MGA.
Q4	What are the objectives of the MGA Regulations?
	The MGA regulations aims to provide a comprehensive regulatory framework for the registration, regulation and operation of MGAs operating in IFSCs in India, which possess delegated authority from the foreign insurer(s) for underwriting direct insurance business or settlement of claims , ensuring they operate with transparency and accountability to protect policyholders’ interests and support the orderly growth and development of the insurance ecosystem in the IFSCs
Q5	Who can apply for registration as MGA?
	As per clause (b) of sub-regulation (1) of Regulation 3 of MGA Regulations, a body corporate incorporated outside India and authorised by foreign insurer(s) under a written contract to manage part of its direct insurance business including solicitation, underwriting risks and/or settling the claims; or a company incorporated under the Companies Act, 2013 can apply for registration as MGA.
Q6	What are the modes of setting up presence in an IFSC?
	There are two modes of establishing presence in an IFSC: 1. In an incorporated form 2. In an unincorporated form (i.e. branch form)
Q7	Can a Partnership or Limited Liability Partnership apply to register as MGA?
	No, only body corporates in the form of company can apply for registration as MGA.
Q8	What is a Binding Authority Agreement (BAA)?
	As per clause (d) of sub-regulation (1) of Regulation 3 of MGA Regulations, ‘Binding

	Authority Agreement (BAA)’ means a written contract executed between an MGA and a foreign insurer under which a foreign insurer authorises the MGA to act as an agent and to enter into a contract of insurance on its behalf; setting forth the terms, conditions for binding insurance risks or settlement of claims.
Q9	What is a foreign insurer?
	As per clause (j) of sub-regulation (1) of Regulation 3 of MGA Regulations, foreign 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 direct insurance business.
Q10	Who is MGA Qualified Person (MQP)?
	As per clause (n) of sub-regulation (1) of Regulation 3 of MGA Regulations, MGA Qualified Person (MQP)’ means an individual who is an employee or director of the MGA engaged in solicitation, underwriting risks and/or settlement of claims of direct insurance business, and who has undergone such training and passed such examination as may be specified by the Competent Authority.
Q11	Who is Principal Officer?
	As per clause (p) of sub-regulation (1) of Regulation 3 of MGA Regulations, ‘Principal Officer’ means a designated employee of the MGA responsible for day-to-day affairs or conduct of its overall activities, including regulatory compliances of an MGA.
Q12	Who is eligible to apply for registration as an MGA, intending to set up a branch office?
	As per sub-regulation (1) of Regulation 4 of MGA Regulations, an Applicant registered or licensed to undertake activities akin to an MGA in a jurisdiction outside India, and desirous of setting up branch in an IFSC shall meet with the following requirements: (a) It holds a valid certificate of registration or license issued by its home country regulatory or supervisory authority to undertake activities akin to an MGA; (b) It has acted as an agent to undertake activities akin to MGA including solicitation, underwriting risks and/or settling the claims for direct insurance business; (c) It is registered or certified in a National Regulatory Environment with whom the Government of India has signed Double Taxation Avoidance Agreement; and (d) It has obtained ‘No-objection certificate’ from its home country regulatory or supervisory body to establish a branch in IFSC.
Q13	Is BAA necessary at the time of making application for registration as MGA?
	As per sub-regulation (3) of Regulation 4 of MGA Regulations, an Applicant shall at the time of filing application shall have at least one written contract with a foreign insurer to

	manage part of their direct insurance business including an authority to solicit, underwrite risks and/or settle the claims.
Q14	What requirements must a foreign insurer meet, to execute a BAA with the MGA in the IFSC?
	As per sub-regulation (4) of Regulation 4 of MGA Regulations, an Applicant having written contract with a foreign insurer to manage part of their direct insurance business including solicitation, underwriting risks and/or settling the claims shall ensure that such foreign insurer: (a) is registered or licensed for transacting direct insurance business, in its home country or country of its incorporation or domicile; (b) 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; (c) has minimum Net Worth of USD 100 Million; (d) has a minimum credit rating of 'A' or its equivalent from any of the internationally renowned credit rating agencies for the last three years from the date of filing application under these regulations; (e) is registered or certified in a National Regulatory Environment with whom the Government of India has signed Double Taxation Avoidance Agreement; (f) submits Board resolution undertaking to meet all liabilities arising out of Applicant's operations in the IFSC; (g) submits all the details and information as may be required and complies with any additional requirements as may be specified by the Competent Authority; and (h) submits undertaking(s) to comply with the provisions of regulation 22 of MGA regulations.
Q15	Can an MGA sign BAA with multiple insurers while operating in the IFSC?
	Yes, as per sub-regulation (6) of Regulation 4 of MGA Regulations, an Applicant executing or proposing to execute written contract with more than one foreign insurer to manage part of their direct insurance business including solicitation, underwriting risks and/or settling the claims shall ensure that above provisions are complying by each such foreign insurer, all such insurers shall be eligible as per the criteria mentioned in the regulations.

Q16	What is the procedure for making application seeking registration as MGA?
	As per regulation 5 of MGA Regulations, an applicant desirous of obtaining a certificate of registration from the Authority as an MGA shall submit an application in such form and be accompanied by such documents as may be specified by the Competent Authority, along with the applicable fee specified under these regulations, on the online platform designated by the Authority.
Q17	What is the online platform designated for making application?
	The IFSCA has a unified online platform SWIT (Single Window IT) system. The link to access the same is: https://swit.ifsc.gov.in/
Q18	Within what time is the MGA required to commence business?
	As per regulation 9 of MGA Regulations, an MGA shall commence business within a period of one hundred eighty (180) days from the date of grant of certificate of registration.
Q19	What activities are permitted to an MGA?
	As per regulation 10 of MGA Regulations, an MGA is permitted to undertake the activities of direct insurance business in the IFSC, outside India, or both. An MGA shall not solicit direct insurance business from the Domestic Tariff Area (DTA) in India, except in accordance with Section 2CB of the Insurance Act, 1938 (4 of 1938).
Q20	Can transactions be done in Indian Rupees (INR)?
	As per sub-regulation (4) of regulation 10 of MGA Regulations, an MGA shall carry out its operation in any of the Specified Foreign Currencies. However, an MGA may open an INR account to defray its administrative and statutory expenses and for such other purposes as may be permitted under the applicable laws.
Q21	What are those specified currencies?
	As per clause (q) of sub-regulation (1) of regulation 3 of MGA Regulations, specified foreign currency means the currencies specified in the First Schedule of the International Financial Services Centres Authority (Banking) Regulations, 2020, as amended from time to time.
Q22	What activities are not permitted to an MGA?
	As per regulation 11 of MGA Regulations, an MGA is prohibited from: (a) entering into binding re-insurance or retrocessions contracts on behalf of the foreign insurer; (b) participating in insurance or reinsurance syndicates; (c) assigning the contract in whole or part, or further delegating its underwriting or claims authority to any other entity or any other person as the case may be; and

	(d) jointly employing an individual who is employed with the foreign insurer.
Q23	What are the capital and net worth requirements of an MGA?
	As per regulation 13 of MGA Regulations, (1) An MGA, set up in the form of a company, shall maintain a minimum paid-up equity capital equivalent to USD 5,00, 000 (USD Five Lakh only) with an IBU. (2) An MGA, set up in the form of a branch, shall maintain a minimum assigned capital equivalent to USD 5,00, 000 (USD Five Lakh only) with an IBU. (3) An MGA shall maintain Net Worth of minimum equivalent to USD 250,000 (USD Two Lakh Fifty Thousand only) or 50% of the minimum paid-up or assigned capital, whichever is higher, at all times. Note: For an MGA set up in form of a branch, it shall maintain Net Worth at its parent level.
Q24	What are the financial security and deposit requirements?
	As per regulation 13 of MGA Regulations, an MGA shall, before the commencement of their business, deposit and keep deposited with any IBU, with lien marked in favour of the Authority, a sum equivalent to – (a) USD 10,000 (USD Ten thousand only), which shall not be released without the prior written permission of the Competent Authority; and (b) 10% of the minimum paid-up equity capital or assigned capital as specified under regulation 13 of these regulations, which shall not be released without the prior written permission of the Competent Authority.
Q25	Will interest earned on such deposit also be subject to lien with the Authority?
	As per sub-regulation (1) of regulation 15 of MGA Regulations, interest earned on such deposit shall not be subject to lien with the Authority.
Q26	Is there any limit on the authority delegated to an MGA w.r.t. claims?
	Yes. As per sub-regulation (4) of regulation 20 of MGA Regulations, any claim exceeding USD 10,000 (USD Ten Thousand only) or involving a coverage dispute shall be referred to the concerned foreign insurer for prior approval.
Q27	What are the obligations and permitted procedures for an MGA when handling, routing, or disbursing premiums and claim settlement funds?
	As per regulation 21 of MGA Regulations, where an MGA is permitted to collect the premium and remit the same to the foreign insurer and/or collect the claims due from the foreign insurer in order to pass on to the policyholder(s), the money thus collected shall

	be maintained in a Fiduciary Account. Further, (1) The money collected by an MGA in the Fiduciary Account shall be segregated from other accounts maintained by such MGA. (2) The money collected by an MGA in the Fiduciary Account shall only be used for the permitted purposes and shall not be used for any other purposes. (3) An MGA shall not retain more than three (03) months' worth of losses and loss adjustment expenses in the Fiduciary Account, and any such surplus amount shall be remitted to the foreign insurer, monthly. (4) The money held in the Fiduciary Account, being the money of policyholders or of the foreign insurer, as the case may be, shall not be liable to attachment or be part of the assets of the MGA in the event of its insolvency or liquidation.
Q28	For what purposes can fiduciary account be used?
	As per sub-regulation (6) of regulation 20 of MGA Regulations, the Fiduciary Account shall only be used for the following purposes– (a) Credits: Receipt of premiums from policyholders; receipt of claim funds/return premiums from foreign insurers; and interest earned on such funds (subject to the BAA); (b) Debits: Remittance of premiums to foreign insurers; payment of claims/refunds to policyholders; and withdrawal of commission as per the BAA.
Q29	What are the obligations of the foreign insurers having a BAA with the MGA operating in the IFSC?
	As per regulation 22 of MGA Regulations, the foreign insurer who has executed the BAA with an MGA shall – (1) conduct an independent annual audit of the records of the MGA to satisfy that the MGA complies with the BAA and the Net Worth requirements as specified under these regulations; and (2) conduct an on-site review of the MGA's underwriting and claims processing at least on a half yearly basis. (3) If an MGA establishes loss reserves, the relevant foreign insurer shall

	annually obtain the opinion of an independent actuary certifying their adequacy.
Q30	Is there any limit on the authority delegated to an MGA?
	Yes. As per clause (b) of sub-regulation (3) of regulation 22 of MGA Regulations, the foreign insurer shall not give binding authority to an MGA of more than ten per cent (10%) of its GWP for the previous financial year. Further, in terms of clause 10 of Schedule IV of MGA Regulations, an MGA shall notify the foreign insurer if its quarterly GWP production exceeds 5% of the foreign insurer's policyholder surplus.
Q31	What is the applicable fee for setting up an MGA?
	As per regulation 29 of MGA Regulations, the Applicant while filing application seeking registration as an MGA shall pay non-refundable fee of USD 1,000 (USD One thousand only) as application fees, to the Authority. Further, upon communication from the Authority, the Applicant shall pay non-refundable fee of USD 5,000 (USD Five thousand only) as registration fees, to the Authority.
Q32	Is any fee payable after registration as well?
	Yes. As per regulation 29 of MGA Regulations, an MGA who has been granted certificate of registration under these regulations shall pay higher of the annual fee as specified below, for each financial year to the Authority on or before 30th day of April of such financial year – (i) USD 12,500 (USD twelve thousand five hundred only); or (ii) One-twentieth of one <i>per cent.</i> of total gross premium written by an MGA during the financial year immediately preceding the year in which the annual fee is required to be paid.

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