

International Financial Services Centre in GIFT City:

IFSCA (Managing General Agents) Regulations, 2026

V.1 01102026

International Financial Services Centres
Authority

Ministry of Finance, Government of India
GIFT City, Gujarat, India

www.ifsca.gov.in

Meaning and Objective

Managing General Agent (MGA)

- **Managing General Agent (MGA) is a specialized agent authorized to accept liability, underwrite risk, bind coverage, and settle claims on behalf of the insurer(s).**
- **It is classified as 'insurance intermediary' under the Insurance Act, 1938.**

Objective of the Regulations

- **Comprehensive framework for registration, regulation and operation of MGAs in IFSCs.**
- **Protect policyholders' interests, with transparency and accountability.**
- **Support orderly growth of the IFSC insurance ecosystem.**

Eligibility Criteria

Branch of a Foreign MGA

- Valid home-country registration / licence as an MGA
- Prior experience acting as MGA
- DTAA & FATF compliant
- No-Objection Certificate from home regulator

Company incorporated in the IFSC

- Incorporated in the IFSC under the Companies Act, 2013
- Applies to all applicants not covered under Branch route.

The foreign insurer behind every BAA must satisfy:

Net Worth & Credit Rating

USD 100 Million minimum
'A' or equivalent, last 3 years

Valid registration

Registered for direct
insurance in home
country

Liabilities

Board undertakes to
meet all liabilities

Jurisdiction

DTAA & FATF
compliant

Prudential Requirements

USD 5,00,000

Minimum paid-up /
assigned capital
to be maintained with an
IBU

USD 2,50,000

Minimum Net Worth —
or 50% of capital,
whichever higher

**USD 10,000 +
10% of min
paid up capital**

Security deposit (lien to
Authority); cap USD
1,00,000

Mandatory PI

Professional Indemnity
cover incl. cyber liability,
at all times

Net-worth shortfall must be
restored immediately and
reported within 15 days.

MGA in branch form maintains
net worth at its parent level.

All investment in MGA must be
from owned funds — not
borrowings.

Permitted & Prohibited Activities

Permitted Activities

- Direct insurance business in the IFSC, outside India, or both. If from India, subject to Sec. 2CB
- Operate in any Specified Foreign Currency
- May open an INR account for administrative & statutory expenses
- Functions: underwriting, product design, policy lifecycle, fiduciary accounting & claims (per BAA)
- Sale through digital modes / self-network platforms permitted
- MGA may enter into BAA with multiple insurers

Prohibited Activities

- Direct insurance business in SEZs
- Binding re-insurance or retrocession contracts
- Sub-delegating authority
- Jointly employing an individual already employed with the foreign insurer
- Multi-level marketing

Binding Authority Agreement & Fiduciary Accounts

Binding Authority Agreement (BAA)

- Mandatory written contract before any solicitation, underwriting or claim settlement; filed with the Authority.
- Must specify classes of business, territorial limits, liability caps, underwriting guidelines & rate basis.
- Claims settlement up to agreed limits; any claim > USD 10,000 or with a coverage dispute referred to insurer.
- Binding authority capped at 10% of insurer's previous-year GWP; notify insurer if quarterly GWP > 5% of surplus.

Fiduciary Account

- Held with an IBU, separately for each foreign insurer
- Segregated from the MGA's other accounts; used only for permitted purposes
- Policyholder / insurer money is protected — not attachable, not part of MGA assets on insolvency
- No more than 3 months of losses & loss-adjustment expenses retained; surplus remitted monthly
- Half-yearly auditor certificate confirming fund segregation

Governance, Conduct & Insurer Oversight

Principal Officer / Branch Head

In direct employment, resident in India, 'fit & proper', accountable for day-to-day conduct.

Board-Approved Policies

Underwriting & claims policy and conflict-of-interest policy (periodic review).

Foundational Principles

Interests of policyholders are protected; MGA has primary fiduciary duty to foreign insurer.

Insurer Operational Oversight

Independent annual audit of MGA + half-yearly on-site review of underwriting & claims.

Books, Records & Cyber

Accrual accounting, related-party disclosures, audited financials by 30 Sep, robust cyber security framework.

Data Localisation

Policyholder data stored within India (incl. IFSCs) per data-protection laws.

Supervision, Enforcement & Exit

Powers of the Competent Authority

- Inspect & investigate
- Suspend or cancel registration on default, after due notice & hearing
- Issue subsidiary instructions; relax strict enforcement in the ecosystem's interest

Enquiry Process — Indicative Timelines

Enquiry officer in 15 days • reply in 21 days • enquiry ≤ 60 days • report in 30 days • SCN reply in 21 days

Exit, Continuity & Repeal

- Voluntary surrender only with prior approval + an orderly run-off plan
- On suspension / cancellation, existing contracts serviced for 6 months while another MGA takes over
- Orders published on the Authority's website
- Amalgamation, merger, acquisition or transfer needs prior approval
- MGA provisions omitted from the 2021 Registration Regulations; Insurance Intermediary Regulations no longer apply to registered MGAs

Proposed Fee amount

Application Fee

USD 1000

Registration Fee

USD 5000

Annual Fee

Higher of USD 12,500 or $\frac{1}{20}$ of 1% of total GWP by an MGA during the financial year preceding the year in which the annual fee is required to be paid

**Fee for
Duplicate CoR**

USD 500



**International Financial Services
Centres Authority (IFSCA),**
2nd & 3rd Floor, PRAGYA Tower,
Block 15, Zone 1, Road 1C, GIFT SEZ,
GIFT City, Gandhinagar,
Gujarat - 382 355



+91-79-6180-9800



info-desk@ifsc.gov.in



www.ifsc.gov.in