



सत्यमेव जयते
Government of India

दिनांक / Date: 17 December, 2025

[REDACTED]

[REDACTED]

By Electronic Mail

महोदय / Dear Sir,

Subject: Request for Informal Guidance by way of Interpretative Letter under the IFSCA (Informal Guidance) Scheme, 2024 by applicant in relation to General Insurance Business as per extant regulatory framework of the IFSCA.

1. This has reference to request letter dated [REDACTED] / applicant), on the captioned subject.
2. The applicant *inter-alia* submitted that --
 - (a) [REDACTED] is an Indian entity and engaged in [REDACTED] solutions provider for the insurance and reinsurance industry,
 - (b) [REDACTED] wishes to establish a re-insurance company in the GIFT-IFSC to exclusively undertake re-insurance of general insurance business,
 - (c) In terms of Reg. 3 of FEM (IFSC) Regulations, 2015, any financial institution established in the IFSC is treated as person resident outside India,
 - (d) Further, as per clause 2 (2) under schedule I of the FEMA (Overseas Investment) Rules, 2022 (hereinafter referred as ODI Rules) provides that an Indian entity not engaged in financial services activity in India may make ODI in a foreign entity, which is directly or indirectly engaged in financial services activity, except banking or insurance, subject to certain conditions

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

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Provided that an Indian entity not engaged in the insurance sector may make ODI in general and health insurance where such insurance business is supporting the core activity undertaken overseas by such an Indian entity.

3. Accordingly, [REDACTED] vide above mentioned request have sought interpretative guidance on its proposed establishment of re-insurance company in the IFSC to carry on re-insurance business of general insurance business and whether such business falls within the ambit of “general insurance business” under the IFSCA’s regulatory framework on insurance.”
4. Comments of Division of Insurance Regulations; IFSCA (DoIR) – In this regard, DoIR has considered the submissions made by [REDACTED] and without necessarily agreeing with its analysis, views of DoIR on the guidance sought are as under –
 - (a) While examination of the request, following provisions of the Insurance Act, 1938 (hereinafter referred as Act) were referred, that as per –
 - (i) Sec. 2 (9) (a) of the Act, “insurer” means an Indian Insurance Company, or
.....
 - (ii) Sec. 2 (7A) (c) of the Act - “Indian insurance company” means any insurer, being a company which is limited by shares, and whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance business;
 - (iii) Sec. 2 (6B) - “general insurance business” means fire, marine or miscellaneous insurance business, whether carried on singly or in combination with one or more of them;]
 - (iv) Sec. 2 (6C) - “health insurance business” means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient travel cover and personal accident cover;
[REDACTED]

- (v) Sec. 2 (16B) - “re-insurance” means the insurance of part of one insurer’s risk by another insurer who accepts the risk for a mutually acceptable premium;
 - (vi) Sec. 6. of the Act about Requirement as to capital – minimum capital for carrying on Life, General and Health Insurance business is INR 100 Crore and for re-insurance business it will be INR 200 Crore,
- (b) Reg. 3 (1) (o) of the IFSCA (Re-insurance) Regulations, 2023 defines ‘insurance segments’, which means insurance or re-insurance business transacted by IFSC Insurance office (IIO) in any one or more of the segments provided thereunder.
- (i) It is noted that out of fifteen (15) insurance segments under above definition, except for segment of Life Insurance, all other segments fall under purview of Sec. 2 (6B) of the Act i.e. general insurance business.
- (c) Based on the above statutory / regulatory framework, it is opined that re-insurance business may be carried on either for life insurance, general insurance or health insurance segments.
- (d) In view of the above, the proposed activity of transacting of re-insurance business of general insurance business only, falls within the ambit of “general insurance business” under the IFSCA’s regulatory framework on insurance.
5. This informal guidance is issued subject to the following conditions that –
- (a) The interpretative guidance is based on the information furnished by ██████ in its letter under reference. Different facts or conditions might lead to a different interpretation. This letter does not express the decision of the IFSCA on the question referred through said ██████ letter.
 - (b) ██████ is advised to note that the above views are expressed only with respect to the clarification sought in its letter under reference on the IFSCA’s regulatory ██████

framework on insurance and do not affect the applicability of any law and any other regulations, guidelines and circulars framed or administered by the Authority or laws administered by any other authority.

- (c) It is clarified that the said informal guidance is about transacting of re-insurance business of general insurance business only, under the IFSCA's regulatory framework on insurance, apart from the same, in this extant case, the DoIR do not have jurisdiction on issuance of guidance on any other provision of said ODI Rules.
- (d) This informal guidance as given by the DoIR, in itself does not authorize [REDACTED] and / or its proposed wholly owned subsidiary to carry on business of insurance or re-insurance through the IFSC. To carry on such business, it needs to separately apply and complete the process of registration with IFSCA as an insurer, subject to the provisions of Insurance Act 1938, regulations notified by IFSCA thereunder and all other applicable laws.

6. Kindly acknowledge the receipt.

धन्यवाद / Thanking You,

आपका विश्वासी / Yours Faithfully,

[REDACTED]

(भास्कर खड़कभावी / Bhaskar Khadakbhavi)

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