

CONSULTATION PAPER ON PROPOSED AMENDMENTS TO IFSCA (Registration of Insurance Business) Regulations, 2021

Objective:

The objective of this consultation paper is to seek comments / views/ suggestions from public on the proposed amendments to the International Financial Services Authority (Registration of Insurance Business) Regulations, 2021.

Background:

1. The International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021 were published in the Gazette of India Extraordinary vide notification No. IFSCA/2021-22/GN/REG016 on 18th October, 2021 and FIRST AMENDMENT to these regulations were published in the Gazette of India Extraordinary vide notification No. IFSCA/2021-22/GN/REG019 on 05th January 2022.

Subsequently, the IRDAI on 22-Aug-2023, notified amendments to IRDAI (Re-insurance) Regulations, 2018 (herein after referred as RI Regulations). These regulations while defining “IFSC Insurance Offices or IIO” provided categories of Order of Preference (OoP) for placement of re-insurance business by Indian cedants.

These amendments to the RI Regulations, placed IFSC Insurance Offices (IIOs) at Category – 2 and 3 of the Order of Preference (OoP), for placement of re-insurance business by Indian cedant. IIOs willing to opt for category 2 are placed at par with Foreign Reinsurer Branches (FRBs) registered by IRDAI, subject to certain conditions on investments in Domestic Tariff Area (DTA). The IIOs may also opt for Category 3 of OoP. These changes have necessitated the necessary amendments in IFSCA(IIO) Regulations, 2021, whereby an applicant willing to establish IIO, shall be required to choose /opt and declare the Category at the time of seeking registration [whether category 2 or Category 3 of the OoP under the IRDAI (Re-insurance) Regulations, 2018]. Based on the category opted upon, the IIO shall be eligible to seek re-insurance business placement from Indian cedants, only with such conditions as assigned with such category.

2. The IFSCA being a unified regulator is proposing to introduce Single Window IT System (SWITS) shortly. The said SWITS contains a common application form (CAF), which will be made applicable for all the entities who wish to apply for registration in the IFSC, including IIO. Similarly, a system generated Certificate of Registration (CoR) is proposed to be issued. Considering, systemization of various application Forms and CoR formats, it is proposed to omit specified templates of such Forms and CoR formats from these regulations, once SWITS becomes operational.

3. In view of the aforesaid draft regulations proposed to be notified, are placed on website of the IFSCA at <https://ifsc.gov.in/PublicConsultation>. General public and stakeholders are requested to forward their comments / suggestions through e-mail to Insurance Dept. at insurance-dept@ifsc.gov.in with copy to Mr. Bhaskar Khadakbhavi at bhaskar.khadakbhavi@ifsc.gov.in and Rishi Kale at rishi.kale@ifsc.gov.in by **30 July, 2024** in the attached format. It is further requested to provide comments in MS Word or MS Excel format only.

NOTIFICATION
Gandhinagar, the xx July, 2024

DRAFT - International Financial Services Centres Authority (Registration of Insurance Business) (Amendment) Regulations, 2024

IFSCA/2023-24/GN/REGxxx — 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 to amend the International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021 namely:-

1. Short title and commencement: -
 - (1) These Regulations may be called the International Financial Services Centres Authority (Registration of Insurance Business) (Amendment) Regulations, 2024;
 - (2) They shall come into force from the date of their publication in the Official Gazette.
2. In sub-regulation (2) of regulation 4 words '*as specified at FIRST SCHEDULE of these Regulations and in the manner*' shall be omitted.
3. In sub-regulation (1) of regulation 7 words '*the relevant FORM as specified at FOURTH SCHEDULE of these Regulations to the applicant*' shall be omitted and replaced with "such FORM as may be specified by the Authority"
4. The following proviso may be inserted as the second proviso of regulation 10 –

"Provided further that at the time of making the application, the applicant shall opt for category as specified in sub-regulation (2), clause (A) of Regulation 5 of the Insurance Regulatory and Development Authority of India (Re-insurance) Regulations, 2018, under which it intends to participate in reinsurance business emanating from the DTA "
5. FORM-A, FORM-B, FORM-C and FORM-D in FIRST SCHEDULE of these regulations shall be omitted.
6. FORM A and FORM B in FOURTH SCHEDULE of these regulations shall be omitted.

K. Rajaraman, Chairperson
[ADVT.-III/4/Exty./xxx/2023-24]

Note: The International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021 were published in the Gazette of India Extraordinary vide notification No. IFSCA/2021-22/GN/REG016 on 18th October, 2021 and first amendment to these regulations were published in the Gazette of India Extraordinary vide notification No. IFSCA/2021-22/GN/REG019 on 05th January 2022.

Format for providing comments / suggestions

Proposed –

**International Financial Services Centres Authority (Registration of Insurance Business)
(Second Amendment) Regulations, 2021.**

Inputs / Comments suggested by:

Page No. of Draft Regu.	Reg. No	Sub-Regu No. /Para No.	Comments / Suggestions / Suggested modifications	Rationale

***** End *****