

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA**NOTIFICATION**

Hyderabad, the 30th October, 2019

Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2019

F.No. IRDAI/Reg/13/164/2019.—In exercise of the powers conferred by clause (vb) of sub-section 2 of section 114A read with Section 42D and 42E of the Insurance Act, 1938 (4 of 1938) and section 2(1)(f), 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely: -

Objective: Pursuant to the amendment to the Indian Insurance Companies (Foreign Investment) Rules, 2015 by the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2019 issued by the Central Government, removing, *inter alia*, the cap to foreign equity investment for intermediaries or insurance intermediaries, the objective of these regulations is to amend corresponding provisions of various regulations applicable to intermediaries or insurance intermediaries.

1. Short Title and commencement:

1.1 These Regulations may be called the Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2019.

1.2 These Regulations shall come into force on the date of their publication in the Official Gazette.

CHAPTER I**1. Amendment to the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018**

- a) Regulation 21 - Indian owned and Indian Control shall be omitted.
- b) After Regulation 21, the following Regulation shall be inserted, namely: —

“21A – Foreign Investment

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.”

- c) Sub-regulation (4) of Regulation 58 shall be omitted.
- d) S. No. 13 of the undertaking in SCHEDULE I – Form O shall be omitted.
- e) S. No. 13 under Part I of Form TB shall be omitted.

CHAPTER II**2. Amendment to the Insurance Regulatory and Development Authority of India (Insurance Web Aggregators) Regulations, 2017**

- a) Clause (iv) of sub-regulation (a) of Regulation 8 shall be omitted.
- b) In clause (i) of sub-regulation (b) of Regulation 8, the words “forty-nine per cent of paid-up equity capital of Insurance Web Aggregator at any time or” shall be omitted.
- c) After Regulation 8, the following Regulation shall be inserted, namely: —

“8A – Foreign Investment

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.”

- d) Sub-regulation (iii) and (v) of Regulation 41 shall be omitted.
- e) In clause 1(b) of Form AA in SCHEDULE XII, the words “for the purposes of determining Indian owned and controlled,” shall be omitted.
- f) S. No. 16 of SCHEDULE XII – Form AD shall be omitted.

CHAPTER III**3. Amendment to the Insurance Regulatory and Development Authority of India (Registration of Insurance Marketing Firm) Regulations, 2015**

- a) After Regulation 6, the following Regulation shall be inserted, namely: —

“6A – Foreign Investment

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.”

CHAPTER IV**4. Amendment to the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015**

a) After Regulation 8, the following Regulation shall be inserted, namely: —

“8A – Foreign Investment

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.”

CHAPTER V**5. Amendment to the Insurance Regulatory and Development Authority of India (Insurance Surveyors and Loss Assessors) Regulations, 2015**

a) After Regulation 4, the following Regulation shall be inserted, namely: —

“4A – Foreign Investment

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.”

CHAPTER VI**6. Amendment to the Insurance Regulatory and Development Authority of India (Third Party Administrators – Health Services) Regulations, 2016**

a) After Regulation 6, the following Regulation shall be inserted, namely: —

“6A – Foreign Investment

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.”

SCHEDULE – AA**Undertaking from an insurance intermediary that has majority shareholding of foreign investors**

I, (name of person), Chief Executive Officer (CEO) / Principal Officer (PO) / Managing Director of (name of insurance intermediary), undertake the following:

1. (name of insurance intermediary) is incorporated as a limited company under the provisions of the Companies Act, 2013;
2. (name of person), Chairman of the Board of Directors or (name of person) Chief Executive Officer/ Principal Officer/ Managing Director of the insurance intermediary (strike out whichever is not applicable) is a resident Indian citizen;
3. shall take prior permission of the Authority for repatriating dividend;
4. shall bring in the latest technological, managerial and other skills;
5. shall not make payments (other than dividend) to related parties taken as a whole, beyond 10% of the total expenses of the company in a financial year;
6. majority of the directors on the Board are resident Indian citizens;
7. majority of Key management persons are resident Indian citizens.

Signature of the PO/ CEO/ Managing Director

Dr. SUBHASH C. KHUNTIA, Chairman

[ADVT.-III/4/Exty/273/19]