



REF: IRDAI/F&I/CIR/INV/098/04/2021

Date: 22nd Apr, 2021

CIRCULAR

INVESTMENTS IN DEBT SECURITIES OF InvITs AND REITs

Investments-Master Circular permits insurers to invest in Units of listed Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs). Consequent to Finance Act, 2021 permitting Trusts to issue Debt Securities, the following conditions shall apply to Insurers investing in “Debt Securities” issued by InvITs / REITs:

- a. The Debt Instruments of InvIT / REIT shall be rated and not less than “AA” as a part of **Approved Investments**.
- b. Debt Instruments of InvITs / REITs rated and or downgraded below “AA” shall form part of **Other Investments**.
- c. No insurer shall invest more than 10% of the Outstanding Debt instruments (including the current issue) in a **single** InvIT/REITs issue.
- d. The cumulative Investments in Units and Debt Instruments of InvITs and REITs shall not exceed 3% of total fund size of the Insurer at any point of time.
- e. No investment shall be made in Debt instruments of an InvIT/REIT where the Sponsor is under the Promoter Group of the Insurer.
- f. Group shall have the meaning as defined under Regulation 2(g) of IRDAI (Investment) Regulations, 2016
- g. Investment in Debt Instruments of InvIT will form part **“Infrastructure Investments”**.
- h. Investment in Debt Instruments of REIT will form part of industry group **“Real Estate Activities”** under NIC Industry Classification.
- i. The Investment in Debt Securities of InvITs/REITs shall be valued either as per FIMMDA or at applicable market yield rates published by any Rating Agency registered with SEBI.
- j. The codes applicable under Category of Investment (COI) for **Debt Instruments of InvITs and REITs** are:

Approved Investments:

- i. **D42:** Debt Instruments of InvITs - IDIT
- ii. **D43:** Debt Instruments of REITs - EDRT

Other Investments:

- i. **E31:** Debt Instruments of InvITs - IOIT
- ii. **E32:** Debt Instruments of REITs - ODRT

k. The Concurrent Auditor in his Quarterly Report to the Audit Committee / Board of the Insurer shall specifically confirm compliance to **ALL** the above norms.

Sd/-

(S. N. Jayasimhan)

HoD - Investments