

Circular

Ref. No: IRDAI/F&A/CIR/MISC//211/07/2021

30th July, 2021

To

All Indian Insurance Companies

Sub: - Withdrawal of Guidelines on "Indian owned and controlled"

The Authority, in exercise of powers conferred under Section 14 (1) of the IRDA Act 1999, vide IRDA/ F&A/ GDL /GLD /180/10/2015 dated October 19, 2015, had issued Guidelines on "Indian owned and controlled" with an objective to bring more clarity on the issue of compliance with the manner of "Indian owned and controlled".

2. In this regard, the following may be noted:

- (i) Insurance (Amendment) Act, 2021, notified on 25.03.2021, made the following amendments to sub-clause (b) of clause (7A) of section 2 of Insurance Act, 1938:
 - (a) Foreign investment ceiling has been increased from existing 49 percent to 74 percent;
 - (b) Explanation to sub-clause (b) of clause (7A) of Section 2, which mandated the requirement of "Indian owned and controlled" has been omitted.
- (ii) The definitions of "Control", "Indian Control of an Indian Insurance Company" and "Indian Ownership" provided under Indian Insurance Companies (Foreign Investment) Rules, 2015 have been omitted vide Indian Insurance Companies (Foreign Investment) (Amendment) Rules, 2021.

3. Accordingly, in exercise of its powers under Section 14(1) of the IRDA Act, 1999, the Authority hereby withdraws the Guidelines on "Indian owned and controlled" dated October 19, 2015 with immediate effect.

4. This is for the information of the stakeholders.

Sd/-

(S N Rajeswari)
Member-Distribution &
In-charge of Finance