

The Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015

UNION OF INDIA

India

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Rule

THE-INSURANCE-REGULATORY-AND-DEVELOPMENT-AUTHORITY-C of 2015

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The Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015 Published vide Notification No. G.S.R. 230(E), dated 27th March, 2015 Ministry of Finance (Department of Financial Services) G.S.R. 230(E). - In exercise of the powers conferred by clause (c) of sub-section (2) of Section 24 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.

(1) These rules may be called the Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015. (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.

- In these rules, unless the context otherwise requires, -(a) "Act" means the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999); (b) "Act of 2005" means the Special Economic Zones Act, 2005 (28 of 2005); (c) words and expressions used herein and not defined but defined in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Insurance Act, 1938 (4

The Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015 of 1938) and the Special Economic Zones Act, 2005 (28 of 2005) shall have the meanings respectively assigned to them in those Acts.

3. Provisions regarding regulation of insurance business in Special Economic Zone.

- For the purposes of regulating and promoting the insurance business in Special Economic Zone, the Authority may, in consideration of the notification issued by the Central Government under section 2CA of the Insurance Act, 1938 (4 of 1938),-(a)permit an insurer registered, with the Authority, under section 3 of the Insurance Act, 1938 (4 of 1938) to carry on the business of insurance in a Special Economic Zone subject to the following conditions, namely:-(i)that an insurer shall set up its place of business in a Special Economic Zone with the prior approval of the Authority;(ii)that an insurer may underwrite only such classes or sub-classes of business of life insurance, general insurance, health insurance or re-insurance as may be specified by the Authority from time to time for the Special Economic Zone:Provided that the Authority may allow such insurer to accept re-insurance of all classes of business from within the Special Economic Zone involving cover either within the Special Economic Zone or from outside the country, subject to the provisions of Act of 2005 and rules made thereunder:Provided further that the Domestic Tariff Area entities may be allowed by the Authority to procure services relating to re-insurance from insurers operating from the Special Economic Zone on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder:Provided also that such insurer may be allowed by the Authority to accept insurance business from entities within the Special Economic Zone and from entities outside the country, subject to the provisions of Act of 2005 and rules made thereunder:Provided also that the Domestic Tariff Area entities may be allowed by the Authority to procure services relating to insurance from insurers operating from the Special Economic Zone on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder;(iii)acceptance of insurance business within the Special Economic Zone shall be in accordance with the guidelines of the Authority, referred to in sub-section (2) of Section 18 of Act of 2005;(b)permit an insurer from outside the country to set up his branch in Special Economic Zone to transact the business of re-insurance within the Special Economic Zone, in the Domestic Tariff Area and abroad, subject to the conditions mentioned in clause (a), and-(i)any placement of re-insurance business by an Indian insurer to such insurer shall be deemed as reinsurance placed outside India;(ii)such insurer carrying on the business of re-insurance shall not be deemed to be an Indian re-insurer within the meaning of the provisions of section 101A of the Insurance Act, 1938 (4 of 1938);(iii)the Domestic Tariff Area entities may be permitted to procure re-insurance services from such insurers on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder;(iv)acceptance of re-insurance business within the Special Economic Zone shall be in accordance with the guidelines of the Authority, referred to in sub-section (2) of section 18 of Act of 2005;(c)permit an insurer from outside the country to transact the insurance business from the Special Economic Zone on the conditions specified in clause (a), and-(i)such permission may

include approval for procurement of insurance business from entities within the Special Economic Zone with cover confined to the Special Economic Zone and from entities outside India;(ii)the Domestic Tariff Area entities may be permitted to procure insurance services from such insurers on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder;(iii)acceptance of insurance business within the Special Economic Zone shall be in accordance with the guidelines of the Authority, referred to in sub-section (2) of Section 18 of Act of 2005;(d)direct the insurers, carrying on the insurance business and re-insurance business in a Special Economic Zone, to comply with its directions, and with the relevant laws and rules and regulations framed thereunder.