



## CIRCULAR

**F. No 171/ IFSCA/ INSURANCE-CIRCULAR/ 2020-21**

Date: 18<sup>th</sup> January, 2021

**To,  
All IFSC Insurance Offices,**

**Sub: Maintenance of Solvency Margin for IFSC Insurance Offices (IIOs)**

1. Clause 21 (f) of IRDAI (IFSC Insurance Office) Guidelines, 2017 vide Guidelines ref. no IRDA/RI/GDL/SEZ/269/12/2017, dated 21<sup>st</sup> December 2017 stipulates that, *“The IIO shall prepare and submit a separate statement of assets, liabilities and solvency margin requirements in the manner as may be specified in the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016.”*
2. In this context, based on the discussions and representations from stakeholders it is clarified that for the initial period of five years, the maintenance of stipulated solvency margin at head office of the company of Insurance Offices in IFSC, shall be considered as compliance of the aforesaid provisions, provided that ;
  - i) The assets backing such solvency margin should be invested in government bonds;
  - ii) The assets backing the solvency margin are unencumbered at all times;
  - iii) The IIO shall furnish a quarterly certificate signed by the appointed Actuary of the company, to the effect that assets, liabilities and solvency margin are being maintained at Head Office of the company on its behalf.
3. This circular is issued in exercise of powers conferred under section 12 of the IFSCA Act, 2019.
4. A copy of this circular is available on the website of International Financial Services Centres Authority at [www.ifsc.gov.in](http://www.ifsc.gov.in)

Yours faithfully,

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