Ref: IRDAI/F&I/GDL/MISC/27/02/2026 Date: 11th February, 2026

Guidelines on Establishment and Closure of Liaison Office in India by an Insurance Company registered outside India

The Authority (IRDAI) issued 'Guidelines on Establishment and Closure of Liaison Office in India by an Insurance Company registered outside India', vide guidelines ref: IRDAI/F&I/GDL/MISC/219/10/2022 dt. 17th October, 2022. These guidelines have since been reviewed and the following amended guidelines are issued on "Establishment and Closure of Liaison Office in India by an Insurance Company registered outside India", superseding all the earlier instructions/guidelines issued on the subject by the Authority. These guidelines shall be effective from the date of issue.

1. Liaison Office

A "Liaison Office" (LO) would mean a place of office to act as a channel of communication between the Principal place of business or Head Office (HO) by whatever name called, of an Overseas Insurer and entities in India but which does not undertake any commercial/ trading/ soliciting/ industrial activity, directly or indirectly, and maintains itself out of foreign remittances received from the Overseas Insurer through normal banking channels.

2. Eligibility norms for opening a Liaison office:

The Overseas Insurer applying for opening of LO should have a financially sound track record. A profit making track record during the immediately preceding three financial years in the home country and net worth of not less than USD 65 million shall be the minimum requirement for applying for opening a Liaison office in India. (Net worth shall mean Total of paid-up capital and free reserves, less intangible assets as per the latest Audited Balance Sheet or Account Statement certified by a Certified Public Accountant or Chartered Accountant or any Registered Accounts Practitioner by whatever name called of the home country). In exceptional cases, wherein the applicant Overseas Insurer is a foreign state owned enterprise / reinsurer with strong credit ratings or demonstrated expertise / specialized insurer, the Authority may relax the minimum net worth

requirement considering the bilateral trade significance and scope for market development.

3. <u>Application and Approval process:</u>

a) The Overseas Insurer desirous of opening a Liaison office shall apply to the Insurance Regulatory and Development Authority of India in Form IRDAI-FIC-1 (Annexure I), along with the following documents. A processing fee of 6000 USD (non-refundable) by way of DD/Pay Order or through online transfer in favour of Insurance Regulatory and Development Authority of India shall be paid along with the application.

i. Copy of Certificate of registration of the Overseas Insurer (Certificate by home country insurance regulator).
ii. Copy of Certificate of Incorporation of the Overseas Insurer (Certificate by home country authority).
iii. Details of subsidiaries and associate companies.
iv. Copies of Memorandum and Articles of Association or any other charter document.
v. Copy of latest Audited Financial statements.
vi. Certificate from the home country insurance regulator that the applicant is duly authorized as an insurer and is permitted to open a Liaison office in India.
vii. A Letter of Comfort from applicant Overseas Insurer confirming to provide necessary financial support to Liaison office (Annexure II).
viii. A Letter / copy of Board resolution of the applicant Overseas Insurer confirming the authorization provided to the Authorized official for signing and submitting Form IRDAI-FIC-1.

b) The Authority shall, after exercising due diligence in respect of the applicant Overseas Insurer's background and satisfying itself regarding adherence to the eligibility criteria for establishing LO, grant approval for opening of LO or reject the application. An applicant whose application for grant of approval for opening of Liaison Office is rejected by the Authority, may approach the Authority for review of its decision within 30 days from the date of receipt of the communication.

c) The Authority, before granting approval for opening of LO, may seek the views of Ministry of External Affairs, in respect of an application received from Overseas Insurer incorporated in a country, which shares land border with India.

d) The initial approval granted by the Authority to Overseas Insurer to operate LO in India shall be for a period of three years. The Overseas Insurer which has been granted approval by the Authority for opening of LO in India shall establish such office within six months from the date of approval of the Authority. In case such office is not established within a period of six months, the approval granted by the Authority shall be deemed to have been withdrawn.

e) The Overseas Insurer may request the Authority for extension of the initial approval for another period of three years. The Authority may consider such request, provided the LO has complied with all the terms and conditions stipulated in these guidelines and communicated by the Authority in the initial approval letter. The application for extension has to be submitted with all the information as given in IRDAI-FIC-1 format mentioning "Application for Extension of validity of Liaison Office", at least two months before the date of expiry of the validity of the first approval, along with a processing fee (non-refundable) of USD 5000.

f) The permission granted for opening / extension of LO shall be subject to such additional terms and conditions as may be stipulated by the Authority from time to time.

g) Overseas Insurers which have opened/started Liaison Offices in India within a period of three years prior to the date of these guidelines may apply for extension of approval for a further period of three years in terms of these guidelines.

h) In exceptional cases, where there is a clear strategic importance or bilateral trade significance, contribution towards foreign direct investment inflows, facilitation of technology transfers or support to market development, including in case of LO of wholly foreign state owned enterprises, upon receipt of an application from the Overseas Insurer, the Authority may consider permitting continuation of the LO beyond the 3+3 years' period. Such permission shall be considered on a case-by-

case basis and shall be subject to periodic review. Each such extension may be granted for a period of three years and the application for extension has to be submitted with all the information as given in IRDAI-FIC-1 format mentioning "Application for Extension of validity of Liaison Office", at least two months before the date of expiry of the validity of the previous approval, along with a processing fee (non-refundable) of USD 5000. The permission granted for extension of LO shall be subject to such additional terms and conditions as may be stipulated by the Authority from time to time.

4. Permitted activities for a Liaison Office of Overseas Insurer in India:

a) Representing the Overseas Insurer in India.
b) Carrying out market research/ feasibility study in the field of insurance.
c) Acting as a communication channel between the Overseas Insurer and entities in India.

5. Conditions for Approval:

a) The LO shall not carry on any activity other than the activity for which approval has been granted by IRDAI.

b) The entire expenses of the LO in India will be met exclusively out of the inward foreign remittances received from the Overseas Insurer through normal banking channels.

c) The LO in India shall not borrow or lend any money from/ to any person in India nor shall it accept deposits in India.

d) The LO in India shall not acquire, hold, (otherwise than by way of lease for a period not exceeding three years) transfer or dispose of any immovable property in India.

e) The LO in India shall not enter into any contracts, except to the extent required for the purpose of the normal functioning of the LO for which the approval is granted by IRDAI.

f) The LO in India will not have any signing/ commitment powers, except to the extent required for normal functioning of the office, on behalf of the Head Office.

g) The LO in India shall obtain Permanent Account Number (PAN) from the Income Tax Authorities on setting up their office in India.

h) The LO in India shall register with the Registrar of Companies (ROCs) if such registration is required under the Companies Act, 2013.

i) The LO in India and the Overseas Insurer shall be required to comply with the terms and conditions of the General Permission granted by RBI under the Foreign Exchange Management Act, 1999 and any other law in force, as amended from time to time.

j) The LO in India shall have to strictly obey and respect the laws in force in India and there shall be no compromise or excuse for ignorance of the Indian legal system in any manner.

k) Principal Officer of LO in India shall act as a Nodal officer and shall be responsible for ensuring compliance of these guidelines and any other directions issued by the Authority from time to time. Name, Address, Contact No. and E-mail Id of the Principal Officer shall be informed to the Authority within 15 days from the date of appointment. Any change in the Principal Officer / change in contact details of Principal Officer shall be informed to the Authority within 15 days from the date of such change.

l) The officials of a Liaison office of Overseas Insurer shall not participate in the management of any other entity in India.

m) In case of any regulatory action initiated by the home country insurance regulator on the Overseas Insurer, LO shall inform the details to IRDAI within 15 days from the date of action initiated.

n) The approval for Liaison Office granted to an entity shall not be transferable to another entity under any circumstances including on account of acquisitions/mergers.

o) Change in the name of the existing LO may be permitted by the Authority, if an application to this effect is filed along with the Board resolution and relevant documents/certificate from the home country insurance regulator.

p) Where change in name is requested on account of acquisitions or mergers involving change in ownership, the acquired entity or new entity is required to apply

afresh by closing the existing LO. At any point of time, not more than one LO under the same management of the Overseas Insurer shall operate in India.

q) The activities/ affairs of LO may be verified/ examined by IRDAI by carrying out an inspection/investigation as and when found necessary.

r) Any adverse findings reported by an auditor or noticed by the HO in respect of the LO shall be reported to the Authority within 15 days of such findings.

6. Books and Records to be maintained by LO:

a) LO shall maintain only one bank account for its receipts and payments.

b) Proper books of accounts and records reflecting the funds received from HO and expenses incurred by the LO shall also be maintained.

c) A Balance Sheet, Statement of Income and Expenditure and a Statement of Receipts and Payments (Cash Flow Statement) signed by an independent Chartered Accountant and the Principal Officer of the Liaison Office in India shall be furnished to the Authority within 60 days from the end of every financial year.

7. Annual Activity Certificate by LO:

a) The LO shall submit Annual Activity Certificate (Annexure III), from an independent Chartered Accountant or the Company Secretary certifying that

i. the LO has undertaken only those activities that have been permitted by the Authority,

ii. the expenses of LO are met by way of approved means, i.e., only from the remittances received from HO for the said purpose,

iii. there are no receipts from HO other than for the expenses of LO,

iv. the credits to the bank account maintained by LO represents the funds received from HO through normal banking channels for meeting the expenses of LO and any legitimate receivables (Refund of security deposits, Refund of taxes, duties, etc. received from tax authorities, if any, which were paid from the said bank account) arising in the process of normal operations of the LO and

v. the debits to the bank account maintained by LO represents the expenses incurred / security deposits made / taxes, duties paid by the LO in the process of normal operations of the LO.

b) The Annual Activity Certificate shall be furnished to the Authority by the LO within 60 days from the end of financial year along with a statement showing details of the research activities/studies undertaken and the information/reports shared with the HO during the reporting financial year by the LO, duly certified by the Principal officer of the LO.

c) All Liaison offices existing on the date of these guidelines shall be liable to furnish the returns/reports/certificates to the Authority as specified in these guidelines.

8. Closure of LO

a) Requests for closure of Liaison Office shall be submitted to the Authority in form IRDA-FIC-2 (Annexure IV), at least two months before the date of expiry of the validity of the approval.

b) The LO shall, at least two months before the closure of its operations in India, publish a public notice informing the proposed closure of its operations in India, in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the regional language of the state where the LO is situated.

c) The application for closure of Liaison Office shall be submitted along with the following documents:

i) Copy of IRDAI's permission for establishing the Liaison office in India.

ii) Copy of the public notices issued in the newspapers informing the proposed closure of LO's operations in India.

iii) An independent Chartered Accountant's certificate:

1. Indicating the manner in which the remittable amount has been arrived at and supported by a statement of assets and liabilities of the LO and indicating the manner of disposal of assets;
2. Certifying that all liabilities in India such as taxes/duties, arrears of gratuity and other benefits to employees, rent, etc. of the office have been either fully met or adequately provided for;
3. Certifying that no proceeds accruing from sources outside India have remained un-repatriated to India.

iv) Confirmation from the Overseas Insurer that no legal proceedings in any court in India are pending against the Liaison Office and there is no legal impediment to the closure/ remittance.

v) A report from the Registrar of Companies regarding compliance with the provisions of the Companies Act, 2013, in case of winding up of the LO in India, wherever applicable.

d) Approval for closure and remittance of proceeds shall be granted provided the Liaison Office has submitted the Annual Activity Certificate for all the years for which it was in operation in India. The remittances shall be made subject to the terms and conditions of RBI / FEMA / CBDT directions in force from time to time.

e) The Authority shall grant approval for Closure of an LO of an Overseas Insurer and shall also intimate the RBI regarding Closure of the LO.

f) If the Overseas Insurer intends to open a branch office (FRB) or form a joint venture/subsidiary for insurance operations in India, the existing LO in India, if any, of the Overseas Insurer shall be closed down at the time of obtaining the approval for opening of the branch office (FRB) / joint venture entity / subsidiary from the Authority.

g) An Overseas Insurer cannot simultaneously have a LO in India and also act as a joint venture partner in insurance company in India.

9. <u>Action in case of default or non-compliance</u>:

a. If any LO, which is required under these guidelines, or other instructions/guidelines issued by the Authority from time to time, -
   i. to furnish any document, statement, account, return or report to the Authority, fails to furnish the same;
   ii. does not cooperate the inspection/investigating Authority appointed by IRDAI/RBI/Govt. of India; or
   iii. to comply with the directions, fails to comply with such directions;
   iv. fails to comply with the terms and conditions of approval granted by the Authority;

the Authority may, at any time, withdraw the approval granted to LO. The Authority shall seek an explanation and provide an opportunity of being heard to the LO, before withdrawal of such approval.

b. The Authority may also direct the Overseas Insurer to remove the Principal Officer of the LO in India and share the action initiated against the LO of the Overseas Insurer with the home country insurance regulator.

These guidelines are issued by the Authority under the provisions of section 14 (1) of the IRDA Act, 1999.

Sd/-

Member (F&I)

Annexure I

IRDAI-FIC-1

The Chairman
Insurance Regulatory and Development Authority of India
Sy No.115/1, Financial District,
Nanakramguda, Gachibowli,
Hyderabad - 500 032.

Sir,

Re: Application for establishing a Liaison office in India by Insurance company registered outside India

Sl. No.	Particulars	Details
A	**General Information**	
1	Full Name of the Insurance Company	
2	Place and Date of Incorporation (Copy of Certificate of Incorporation to be enclosed)	
3	Registration No. (Copy of Certificate of Registration by Home Country Insurance Regulator to be enclosed)	
4	Address of Head Office, Telephone Number(s) and E-mail id	
5	Brief description of the activities of the applicant company	Separate sheet may be attached, if required
B	**Ownership & Management**	
1	List of names and addresses of directors and their qualifications and principal business	Separate sheet may be attached, if required
i)	Name & Address	
ii)	Qualification	
iii)	Principal Business	
2	Details of shareholders holding 10 per cent or more of voting stock and their principal business	Separate sheet may be attached, if required
3	Name of Chief Executive Officer	
4	Name & Designation of senior official at Head Office who will be responsible for the company's proposed Liaison office operations in India.	
C	**Structure**	
1	No. of subsidiaries and associate companies (Group Holding Structure chart to be enclosed)	
2	Countries in which the company and its subsidiaries operate	

3	No. of liaison offices operated in other countries	
D	**Financial Position**	
1	Status of the applicant company (Firm/Limited company/ Government Undertaking)	
2	Details of capital: i) Paid-up capital: _____divided into _____shares of _____ each ii) Free Reserves as per last audited Balance Sheet	
3	Highlights of financial position of the company based on last three years' audited financial statements (copy of financial statements of last 3 years to be enclosed) Profit Net worth (Total of paid-up capital and free reserves, less intangible assets)	
4	Solvency Margin Ratio i) Solvency Margin Ratio to be maintained as per the applicable provisions of the Home country insurance regulator ii) Actual Solvency Margin Ratio as at the latest quarter end MM/YYYY	
5	Credit Ratings by international credit rating agencies	
E	**Supervisory Arrangements**	
1	Details of supervisory arrangements to which the company is subject in its country or origin	Separate sheet may be attached, if required
2	Home country regulations on entry of foreign insurance companies	
F	**Details of existing relationship with India**	
1	Details of existing relationship with Indian insurance companies.	
G	**Details of proposed Liaison office**	
1	Location	
2	Purpose of opening the office in India, the benefits to the different sectors in the Indian community and activities proposed to be undertaken.	
3	No. of years the company wants to have its Liaison office in India	
H	**Other Documents to be enclosed**	
1	Copies of Memorandum and Articles of Association or any other charter document by whatever name referred	
2	Certificate from the home country insurance regulator that the applicant is duly authorized as an insurer and is permitted to open a Liaison Office in India.	
3	Letter / copy of Board resolution of the applicant company confirming the authorization provided to the	

	Authorized official for signing and submitting Form IRDAI-FIC-1	

We hereby declare that:

i) The particulars given above are true and correct to the best of our knowledge and belief;

ii) We shall confine our activities in India to the fields indicated in column G 2 above;

iii) We shall abide by the terms and conditions that may be stipulated by Insurance Regulatory and Development Authority of India, if approval is given;

iv) Liaison office and its officials will not directly or indirectly involve in the process of business solicitation.

Place: (Signature of Authorized Official of the Applicant Company)

Name:

Date: **Designation:**

Annexure II

Format of the Letter of Comfort

The Chairman
Insurance Regulatory and Development Authority of India
Sy No.115/1, Financial District,
Nanakramguda, Gachibowli,
Hyderabad - 500 032.

Sir,

Sub: Application for establishment of Liaison office in India

This has reference to our application dt. _____ submitted to the Authority for establishment of Liaison Office in India.

2. In this connection, we, _____ (the applicant company) undertake to provide the necessary financial support for our Liaison office in India. Any liability that may arise due to the functioning of the Liaison office in India will be met by us in case of inability on part of the Liaison office to do so.

3. We are also enclosing the financial background of our company in the form of our latest three years Audited Financial Statements certified by a Certified Public Accountant / Chartered Accountant.

Yours faithfully,

( )
Authorized official of the Applicant Company

Place: Name:
Date: Designation:

Annexure III

Format of Annual Activity Certificate for Liaison office of Insurance company registered outside India

Annual Activity Certificate of Liaison office of _____ Insurance company
for the Financial Year _____

This certificate has been issued in connection with Clause 7 of IRDAI Guidelines ref: _____dt. _____on "Establishment and Closure of Liaison Office in India by an Insurance Company registered outside India" in respect of Liaison Office of (Name of the Insurance company) functioning at _____ (Address of Liaison office).

A) Statement showing details of the research activities/studies undertaken and the information/reports shared with the Head Office (HO) during the reporting financial year _____ by the Liaison office (LO), duly certified by the Principal officer of the LO, is attached herewith.

B) On the basis of records produced and explanations provided to us, we hereby certify that

a) the LO has undertaken only those activities that have been permitted by the Authority
b) the expenses of LO are met by way of approved means, i.e., only from the receipts received from HO for the said purpose,
c) there are no receipts from HO other than for the expenses of LO,
d) the credits to the bank account maintained by LO represents the funds received from HO through normal banking channels for meeting the expenses of LO and any legitimate receivables (Refund of security deposits, Refund of taxes, duties, etc. received from tax authorities, if any, which were paid from the said bank account) arising in the process of normal operations of the LO and

e) the debits to the bank account maintained by LO represents the expenses incurred / security deposits made / taxes, duties paid by the LO in the process of normal operations of the LO.

Place: Chartered Accountant/Company Secretary

Name:

Date:

Membership No.

Annexure IV

IRDAI-FIC-2

The Chairman
Insurance Regulatory and Development Authority of India
Sy No.115/1, Financial District,
Nanakramguda, Gachibowli,
Hyderabad - 500 032.

Sir,

Re: Application for Closure of Liaison office in India by Insurance company registered outside India

Sl. No.	Particulars	Details
1	Name of the Insurance company	
2	Liaison office Address, Telephone No. and E-mail Id	
3	IRDAI Approval for establishing the Liaison office – Approval No. and Date (copy to be enclosed)	
4	Name, Nationality & Passport details of Principal officer of Liaison office	
5	No. of persons on the rolls of the Liaison office	
6	Reasons for closure/winding up of the Liaison office	
7	Amount applied for remittance (Rs. crore)	

Declaration:

We hereby declare that the particulars given above and the documents submitted herewith are true and correct to the best of my / our knowledge and belief.

Place: (Signature of Principal officer of Liaison office)
Date: **Name:**
Documents attached:

1.