Insurance Regulatory And Development Authority Of India (Registration, Capital Structure, Transfer Of Shares And Amalgamation Of Insurers) (Amendment) Regulations, 2026

The amendment on July 30, 2026 refines eligibility/promoter norms, streamlines registration and capital-raising processes, tightens the prior-approval regime for transfer of shares, introduces a new pathway for amalgamating non-insurance holding businesses into insurers, and restricts use of insurance-related names. The regulations are applicable from immediate effect.

Key changes introduced:

- **Definitions:** “Indian promoter” and “investor” criteria widened to include entities incorporated in any Financial Action Task Force (FATF)-compliant jurisdiction; the Core Investment Company reference is updated to RBI’s Core Investment Companies Directions, 2025; and “transacting entities”, “transferor entity” and “transferee insurer” are redefined to align with the amalgamation/transfer scheme process under Section 35 of the Act. Shares diluted through non-pro-rata subscription are now also treated as “shares intended to be transferred”.
- **Capital structure:** Any Special Purpose Vehicle (SPV) may now act as a promoter subject to the Authority’s satisfaction (the earlier restrictive conditions are removed); equity shares of an applicant/SPV must be issued at face value until commencement of business, with premium pricing allowed thereafter subject to prior Authority approval; foreign investment must comply with the Indian Insurance Companies (Foreign Investment) Rules, 2015; and other capital instruments may now be subscribed by entities incorporated in India or in any FATF-compliant jurisdiction.
- **Transfer of shares – prior approval (Regulation 21 substituted):** Prior approval of the Authority is required based on the transferee’s resulting equity holding (crossing 5%, and thereafter 10%/25%/50%/75%, or becoming the single largest shareholder) or where holding transferred by any person/group exceeds 5% of paid-up equity in a financial year. A new anti-circumvention clause allows the Authority to act even below the 5% threshold where an insurer suspects camouflaged acquisition of controlling interest, and the prior-approval requirement is extended to intra-group transfers.
- **Amalgamation/transfer of business (Chapter VI):** a new Regulation 30A introduced which lays down a framework for amalgamating a non-insurance holding company (holding >50% of an insurer’s equity) into the insurer it holds — subject to conditions including protection of the policyholders’ fund, Board satisfaction on policyholder interest, maintenance of solvency above control level, consideration only in the insurer’s equity shares (fractional entitlements settled in cash), and post-amalgamation compliance safeguards.

Kindly refer the notification for complete details. [IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) (Amendment) Regulations]