# Notification For Manner And Procedure For Imposing Penalties Regulations, 2026

IRDAI has notified these regulations establishing a structured and transparent framework for initiating, adjudicating, and imposing penalties for regulatory violations under the Insurance Act, 1938, the IRDAI Act, 1999, and the rules, regulations, and subsidiary instructions issued thereunder. These regulations are effective from July 30, 2026 and cover following aspects:

| **Aspect** | **Key Provision** |
|---|---|
| Initiation of Proceedings | Based on inspection, investigation, audit findings, complaints, regulatory oversight, or recommendations of the Adjudicating Officer. |
| Show Cause Notice (SCN) | SCN must specify the alleged contravention, legal provisions violated, supporting evidence, proposed penalty, response timeline, and option for a personal hearing. |
| Response Timeline | Ordinarily, at least 21 days to submit a reply (extendable in appropriate cases). |
| Personal Hearing | May be granted on request or where considered necessary by IRDAI; can be conducted physically or virtually. |
| Penalty Determination | Based on factors such as nature and gravity of default, repetition, gains derived, impact on policyholders, corrective actions, and need for deterrence. |
| Regulatory Orders | IRDAI may impose penalties and/or issue advisories, cautions, warnings, or directions. |
| Appeal | Orders are appealable before the Securities Appellate Tribunal (SAT) within 45 days. |
| Payment of Penalty | Penalty to be paid within 45 days from the order. |
| Transparency | Penalty orders and enforcement summaries to be published on the IRDAI website; penalty proceeds credited to the Policyholders' Education and Protection Fund |

Kindly refer the following for the details - Notification for Manner and Procedure for Imposing Penalties Regulations, 2026