



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

CIRCULAR

IRDA/F&A/CIR/GLD/165/07/2014

July 21, 2014

TO

ALL Insurers excluding GIC

Sir

Sub: Inter – Governmental Agreement with United States of America under Foreign Accounts Tax Compliance Act- Registration

The Government of India has advised that India and the United States of America (US) have reached an agreement in substance on the terms of an Inter-Governmental Agreement (IGA) to implement Foreign Accounts Tax Compliance Act (FATCA) and India is now treated as having an IGA in effect from April 11, 2014. However, IGA may be signed only after the approval of Cabinet in due course. Information on FATCA is available at www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA.

2. In this regard, Insurers are advised to take note of the following

- a. Indian Insurance companies would have time up to December 31, 2014 to register with US authorities and obtain a Global Intermediary Identification Number (GIIN). This time limit would also be applicable to Indian Insurance Companies having overseas branches in Model 1 jurisdictions, including those jurisdictions where an agreement under Model 1 has been reached in substance. Registration should be done only after the formal IGA is signed. Information in this regard will be communicated to insurers. ✓
- b. Overseas branches of Indian Insurance Companies in jurisdiction having IGA 2 agreement or in a jurisdiction that does not have an IGA but permits financial institutions to register and agree to a Foreign Financial Institution (FFI) agreement, may register with US authorities within the stipulated time period and obtain a GIIN in accordance with the requirements to avoid potential withholding under FATCA. ✓

- c. Overseas branches of Indian Insurance Companies in a jurisdiction that does not have an IGA and does not permit Insurers to register and agree to an FFI agreement may not register and their overseas branches would eventually be subject to withholding under FATCA.
 - d. The Government has further advised that if registration of the parent intermediary / head office is a pre-requisite for a branch to register, such intermediaries may register as indicated at (a) and (b) above.
3. The Circular is issued in exercise of powers conferred under Section 14(1) of IRDA Act, 1999

R K Nair

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Member-F&I