

**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**

**NOTIFICATION**

New Delhi, the 2nd May, 2026

**S.O. 2186(E).**— In exercise of the powers conferred by clauses (aa) and (ab) of sub-section (2) of section 46 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Central Government hereby makes the following rules further to amend the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, namely: —

**1. Short, title and commencement.**—(1) These rules may be called the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2.** In the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, in Schedule I, in the Table, for serial number F.8 and the entries relating thereto, the following serial number and entries shall be substituted, namely: -

SL. No. (1)	Sector/ Activity (2)	Sectoral Cap (3)	Entry Route (4)
<b>“F.8</b>	<b>Insurance</b>		
F.8.1	Insurance Company	100%	Automatic
F.8.2	Life Insurance Corporation of India	20%	Automatic
F.8.3	Insurance Intermediaries including insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, Surveyors and Loss Assessors, managing general agents, insurance repositories and such other entities, as may be notified by the Insurance Regulatory and Development Authority of India from time to time.	100%	Automatic
<b>F.8.3.1</b>	Other conditions applicable to Indian insurance companies and insurance intermediaries		
	<p>(a) The aggregate holdings by way of total foreign investment in the equity shares of an Indian Insurance Company by foreign investors, including portfolio investors, is permitted up to one hundred per cent. of the paid- up equity capital of such Indian Insurance company.</p> <p>(b) The foreign investment up to one hundred per cent. of the total paid-up equity of the Indian Insurance Company shall be allowed on the Automatic Route subject to approval and verification by the Insurance Regulatory and Development Authority of India.</p> <p>(c) Foreign investment in this sector shall be subject to compliance with the provisions of the Insurance Act, 1938(4 of 1938), and the condition that Companies receiving FDI shall obtain necessary licence or approval from the Insurance Regulatory and Development Authority of India for undertaking insurance and related activities.</p> <p>(d) (I) In an Indian Insurance Company having foreign investment, at least one among the Chairperson of its Board, its Managing Director and its Chief Executive Officer, shall be Resident Indian Citizens.</p> <p>(II) An Indian Insurance company having foreign investment shall comply with the provisions under the Indian Insurance Companies (Foreign investment) Rules, 2015 and the applicable rules</p>		

or regulations notified by the Department of Financial Services or Insurance Regulatory and Development Authority of India, from time to time.

- (e) Foreign portfolio investment in an Indian Insurance company shall be governed by the provisions contained in Chapter-IV, rule 10 and 11 read with Schedule II of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, and provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
- (f) Any increase in foreign investment in an Indian Insurance company shall be in accordance with the pricing guidelines specified under these rules.
- (g) The foreign equity investment cap of hundred per cent. shall apply on the same terms as above to insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, Surveyors and Loss Assessors, managing general agents, insurance repositories and such other entities, as may be notified by the Insurance Regulatory and Development Authority of India from time to time.
- (h) The Foreign Direct Investment proposals shall be allowed under the Automatic Route subject to verification by the Authority and the foreign investment in insurance intermediaries shall be governed by the same terms as provided under rules 7 and 8 of the Indian Insurance Companies (Foreign Investment) Rules, 2015 :
- Provided that where an entity like a bank, whose primary business is outside the insurance area, is allowed by the Insurance Regulatory and Development Authority of India to function as an insurance intermediary, the foreign equity investment caps applicable in that sector shall continue to apply, subject to the condition that the revenues of such entities from their primary (i.e., non-insurance related) business must remain above fifty per cent. of their total revenues in any financial year.
- (i) The insurance intermediary that has majority shareholding of foreign investors shall undertake the following:
- (i) be incorporated as a limited company under the provisions of the Companies Act, 2013(18 of 2013);
  - (ii) at least one from among the Chairman of the Board of Directors or the Chief Executive Officer or Principal Officer or Managing Director of the insurance intermediary shall be a resident Indian citizen;
  - (iii) shall bring in the latest technological, managerial and other skills; and
  - (iv) shall make disclosures in the formats to be specified by the Authority of all payments made to its group or promoter or subsidiary or interconnected or associate entities;
- (j) The other conditions under the heading 'Banking-Private Sector' prescribed against Sl. No. F.2.1 shall be applicable in respect of bank promoted insurance companies.
- (k) The expressions 'Equity Share Capital', 'Foreign Direct Investment' (FDI), 'Foreign Investors', 'Foreign Portfolio Investment', 'Indian Insurance Company', 'Indian Company', 'Non-resident Entity', 'Resident Indian Citizen', 'Total Foreign investment' shall have the same meaning as provided in the relevant rules notified by the Department of Financial Services under the Insurance Act, 1938(4 of 1938) or in the regulations issued by Insurance Regulatory and

	Development Authority of India from time to time, in respect of foreign investment in Indian Insurance Companies and Insurance intermediaries.
F.8.3.2	<p>Other conditions applicable to the Life Insurance Corporation of India (LIC):</p> <p>(a) Foreign investment in LIC shall be subject to compliance with the provisions of the Life Insurance Corporation Act, 1956 (31 of 1956), and such other provisions of the Insurance Act, 1938 (4 of 1938), as are applicable to LIC as per the provisions of section 43 of the Life Insurance Corporation Act, 1956 (31 of 1956).</p> <p>(b) Provisions of clauses (e) and (f) under Sl. No. F.8.3.1, shall also apply to LIC as if reference therein to an Indian Insurance Company is a reference to LIC.</p> <p>(c) The expressions referred to in clause (k) under Sl. No. F.8.3.1, shall have the meanings as respectively referred to them therein.</p> <p>Explanation. - For the purposes of this Sl. No., any reference to Indian insurance company or company referred to in clause (k) under Sl. No. F.8.3.1, shall be construed as a reference to LIC”.</p>

[F. No. 1/5/EM/2019]

ALOK TIWARI, Jt. Secy.

**Note:** The Foreign Exchange Management (Non-debt Instruments) Rules, 2019 were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide number S.O.3732 (E), dated the 17th October, 2019 and subsequently amended vide the following notification numbers:

- (i) S.O. 4355 (E), dated the 5th December 2019;
- (ii) S.O. 1278 (E), dated the 22nd April, 2020;
- (iii) S.O. 1374 (E), dated the 27th April, 2020;
- (iv) S.O. 2442 (E), dated the 27th July, 2020;
- (v) S.O. 4441 (E), dated the 8th December, 2020;
- (vi) S.O. 3206 (E), dated the 9th August, 2021;
- (vii) S.O. 3411 (E), dated the 19th August, 2021;
- (viii) S.O. 4091 (E), dated the 5th October 2021;
- (ix) S.O. 4242 (E), dated the 12th October 2021;
- (x) S.O. 1802 (E), dated 12th April 2022;
- (xi) S.O. 332 (E), dated 24th January 2024;
- (xii) S.O. 1361 (E), dated 14th March 2024;
- (xiii) S.O. 1722 (E), dated 16th April 2024;
- (xiv) S.O. 3492 (E), dated 16th August 2024;
- (xv) S.O. 2549 (E), dated 11th June 2025; and
- (xvi) S.O. 2174(E), dated 1<sup>st</sup> May 2026 and published on 2<sup>nd</sup> May 2026.