



Ref. No. IRDAI/INT/GDL/MISC/2021/9/2022

Date: 28.09.2022

**Guidelines in respect of Conflict of Interest and Common Directorship
among Intermediary or Insurance intermediary**

1. The Authority is in receipt of more than one application from entities belonging to the same group [Group shall be as defined under Section 2(g) of IRDAI (Investment) Regulations, 2016] for Certificate of Registration (CoR) to act as an intermediary or insurance intermediary as defined under Section 2(f) of IRDAI Act, 1999. To address the issue relating to conflict of interest arising out of common directorship amongst registered intermediaries or insurance intermediaries, the following guidelines are issued:

2. Where;

- a. In case of Intermediaries or insurance intermediaries, the Authority has granted/is granting CoR for more than one entity under the same Group to act as an intermediary or insurance intermediary.
- b. In case of Intermediaries or insurance intermediaries, there are common directors existing/being appointed from within the same group companies or across groups.

the maximum number of directorship shall be as required under Section 165 of the Companies Act, 2013.

3. Where common directors are appointed, in compliance to Section 165 of Companies Act, 2013, amongst intermediary or insurance intermediary under same group or different groups, the intermediary or insurance intermediary shall ensure:

- a. A Board approved policy to deal with transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013.
- b. All related party transactions among the intermediary or insurance intermediary shall comply with the provisions of Section 188 of Companies Act, 2013 and applicable Accounting Standard AS 18.
- c. The Statutory Auditor of the intermediary or insurance intermediary shall certify the compliance of the requirement under Section 188 of the Companies Act, 2013 to IRDAI as at the end of the financial year, by September 30th of the subsequent financial year.

- d. The Intermediary or insurance intermediary shall file a communication with IRDAI, on the appointment of common director within 30 days of such appointment.
 - e. The common director(s) shall comply with the requirement under Section 184 of the Companies Act, 2013 and the disclosure shall be placed before the Board and also recorded in the Register of Director(s).
 - f. No common director(s) of an intermediary or insurance intermediary shall hold the position of KMP/CEO/Principal Officer/Whole-time Director with another intermediary or insurance intermediary. However, it is clarified that the person can hold the position of non-Executive Director.
 - g. The compensation will be paid to the common director(s) in accordance with the provisions of Companies Act, 2013.
 - h. The common director(s) shall abstain from discussion and voting in a situation where contracts or arrangements between intermediary or insurance intermediary who are related, are proposed.
 - i. The intermediary or insurance intermediary which is appointing the common director shall also inform the other intermediary or insurance intermediary wherever this director is already on their board, for the purpose of compliance with these guidelines.
 - j. An undertaking to the Authority as per attached format, along with a copy of Board Approved Policy to deal with related party transactions, shall be submitted by all the intermediaries or insurance intermediaries where the common director is appointed on the board.
4. These guidelines are issued in exercise of powers under clause (e) of sub section (2) of Section 14 of the IRDA Act, 1999, and Regulation 32 of IRDAI (Registration of Corporate Agents) Regulations, 2015.

This is issued with the approval of Competent Authority.


Chief General Manager

(on company letter head)

Undertaking by CEO in respect of Conflict of Interest and Common Directors

We are a Corporate Agent/Insurance Broker/_____ (Intermediary or Insurance Intermediary) holding the Certificate of Registration [CoR] bearing No _____, CoR Category _____, valid till _____. We have the following common directors.

PARTICULARS OF COMMON DIRECTORS

Name of Director & DIN	Designation/ Role	Name of Insurance Intermediary/Insurer	Designation/Role

We submit, in respect of Board Approved Policy, Disclosure and Non-Executive role of the common directors, the following:

(I) Board Approved Policy

- a. We have put in place the Board Approved Policy to deal with related party transactions as defined in Section 2(76) read with Section 188 of the Companies Act 2013, transacted between intermediaries or insurance intermediaries who have been issued Certificate of Registration [CoR] by IRDAI. Copy of the policy is submitted herewith.
- b. All related party transactions between the intermediaries or insurance intermediaries will be placed before the Board of the intermediaries as required under the Companies Act, 2013.

(II) Disclosures :

- a. The common director(s) shall provide general notice of disclosures of their nature of interest and their relatives in accordance with provisions of Section 184 of the Companies Act, 2013.
- b. Disclosures provided by the common director(s) shall be placed before the Board and also recorded in the Register of Director(s).



(II) Non-Executive Role of Common Director(s):

- a. The common director(s) is/are not holding the position of KMP, Principal Officer, Whole-time Director or CEO in more than one intermediary or insurance intermediary.
- b. Common director(s) has/have been appointed only as non-Executive Director(s) on the Board of other intermediary(ies).
- c. The compensation will be paid to the common director(s) in accordance with the provisions of Companies Act, 2013.
- d. The common director(s) shall abstain from discussion and voting in a situation where contracts or arrangements between intermediary or insurance intermediary who are related, are proposed.

We hereby undertake to ensure that conflict of interest situations are avoided at all times.

Place:

Date:

Signature of CEO

Name:

Seal