



REF: IRDAI/F&I/CIR/INV/074/04/2021

Date: 5<sup>th</sup> Apr, 2021

## CIRCULAR

### INVESTMENT IN ALTERNATIVE INVESTMENT FUND (AIFs)

Point 1.5 of Investment – Master Circular, 2017 specifies the conditions applicable for Insurers **Investment in Alternative Investment Fund (AIF)**. The following shall replace the provisions applicable for **Fund of Funds (FoF)** mentioned in 1.5.3

- “1.5.3 (a) No investment is permitted into AIFs which undertake leverage or borrowing other than to meet day-to-day operational requirements and as permitted under **SEBI (Alternative Investment Funds) Regulations, 2012**.
- (b) Insurer shall invest **only** into Fund of Funds (FoF) which comply requirement of Section 27E of the Insurance Act, 1938.
- (c) Insurer shall ensure compliance with Section 27E by a clause in the Fund Offer Documents executed by FoF to restrain such FoF investing into AIFs which invest in overseas companies/funds.
- (d) No Insurer shall invest in an AIF, which in turn has exposure to a FoF, in which the Insurer has taken an exposure.
- (e) The Insurer on a quarterly basis, obtain a certificate issued by the Concurrent Auditor on the compliance of the above conditions and file the same along with quarterly periodical returns.”

Sd/-

(S. N. Jayasimhan)

**HoD-Investments**