



ESG

**The IRDAI issues a Circular in Regard to the
Categorisation and Classification of SGrBs**

On 13th January 2023, the Insurance Regulatory and Development Authority of India (IRDAI) issued a Circular in regard to the Categorisation and Classification of Sovereign Green Bonds (SGrBs).

The Government of India, with the objective of reducing the carbon intensity of the economy and as a measure for achieving Nationally Determined Contribution (NDC) under the Paris Climate Change Accord, 2015, connected to climate change, mitigation, adaptation, finance and preservation of the environment, has proposed to issue Sovereign Green Bonds (SGrBs) in Budget 2022-23.

With the objective of de-concentration and diversification of the infrastructure investment portfolio of the insurers and from the perspective of participation in Environmental, Social and Governance (ESG) initiatives and for proactive participation in sustainable development and in preventing environmental degradation, insurers are encouraged to consider investing in Sovereign Green Bonds.

Investment in Sovereign Green Bonds is to be treated as an “Investment in Infrastructure” and is to be classified as “Central Government Securities” under the Category Code - CSGB.

Official Notification Attached [here](#)



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