

IBBI amends insolvency rules

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In news

Recently, the Insolvency and Bankruptcy Board of India (IBBI) has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016.

Key amendments

- The amendment regulations enhance the discipline, transparency, and accountability in corporate insolvency proceedings.
- As per the amendment, **resolution professionals (RPs) will be required to inform the adjudicating authority about avoidance transactions of a corporate debtor (CD).**
- **The new regulations for the insolvency resolution process for corporate persons allow the RP to appoint any professional**, including registered valuers, to assist him in discharge of his duties during the **corporate insolvency resolution process (CIRP).**
- Such appointments shall be made at arm's length, following an objective and transparent process.
- **The amendment requires an insolvency professional (IP) conducting CIRP to disclose all former names** and registered office address(es) so changed in the two years preceding the commencement of insolvency along with the current name and registered office address of the CD, in all its communications and records
- **The amendment requires the RP to file Form CIRP 8 on the electronic platform of the board**, intimating details of his opinion and determination in respect of avoidance transactions on or before the 140th day of the insolvency commencement date.

Insolvency and Bankruptcy Board of India

- The Insolvency and Bankruptcy Board of India was established on 1st October, 2016 under the Insolvency and Bankruptcy Code, 2016 (Code).
- It is a key pillar of the ecosystem responsible for implementation of the Code that consolidates and amends the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of the value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders.
- It is a unique regulator: regulates a profession as well as processes.
- It has regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies, Insolvency Professional Entities and Information Utilities.
- It writes and enforces rules for processes, namely, corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy under the Code.
- It has recently been tasked to promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions, in furtherance of the purposes of the Code.
- It has also been designated as the 'Authority' under the Companies (Registered Valuers and Valuation Rules), 2017 for regulation and development of the profession of valuers in the country.