

Insolvency and Bankruptcy Board of India

PRESS RELEASE

28th March, 2018

IBBI amends the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016

The Insolvency and Bankruptcy Board of India (IBBI) has evolved a transparent and consultative process for making regulations. It has been endeavour of the IBBI to effectively engage stakeholders in the regulation making process to factor in ground reality, secure ownership of regulations and make regulations robust and precise, relevant to the time and for the purpose.

2. The IBBI had invited comments from public, including the stakeholders and the regulated, on the regulations already notified under the Insolvency and Bankruptcy Code, 2016 (Code) by 31st December, 2017. It had also invited comments on a discussion paper on strengthening the Limited Insolvency Examination by 31st December, 2017. The comments received on the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 and on the discussion paper were considered by the Advisory Committee on Service Providers and thereafter by the Governing Board of the IBBI. Accordingly, the IBBI has notified the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2018 (Amendment Regulations) today.

3. According to the amendment regulations,

- a. Subject to meeting other requirements, an individual shall be eligible for registration as an insolvency professional if he has passed the Limited Insolvency Examination within the last 12 months and has completed a pre-registration educational course from an insolvency professional agency, as may be required by the Board.
- b. The syllabus, format, qualifying marks and frequency of the 'Limited Insolvency Examination' shall be published on the website of the IBBI at least three months before the examination.
- c. An individual with the required experience of 10 / 15 years is eligible for registration as an insolvency professional. In addition, an individual with little or no experience shall be eligible for registration as an insolvency professional on successfully completing the Graduate Insolvency Programme, as may be approved by the IBBI.
- d. As a condition of registration, an insolvency professional shall undergo continuing professional education as may be required by the IBBI.
- e. An insolvency professional shall not outsource any of his duties and responsibilities under the Code.
- f. A company, a registered partnership firm or a limited liability partnership shall be eligible for recognition as an insolvency professional entity, if –
 - i. its sole objective is to provide support services to insolvency professionals, who are its partners or directors, as the case may be;
 - ii. it has a net worth of not less than one crore rupees;
 - iii. majority of its shares is held by insolvency professionals, who are its directors, in case it is a company;
 - iv. majority of capital contribution is made by insolvency professionals, who are its partners, in case it is a limited liability partnership firm or a registered partnership firm;

- v. majority of its partners or directors, as the case may be, are insolvency professionals;
 - vi. majority of its whole-time directors are insolvency professionals, in case it is a company; and
 - vii. none of its partners or directors is a partner or a director of another insolvency professional entity.
- g. An insolvency professional shall disclose the fee payable to him, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by him to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.
3. The amendment regulations are effective from 1st April, 2018. These are available at www.mca.gov.in and www.ibbi.gov.in.
