

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

PRESS RELEASE

29th March, 2017

Premises of Insolvency and Bankruptcy Board of India, Inaugurated

Hon'ble Minister of State for Finance and Corporate Affairs, Shri Arjun Ram Meghwal, inaugurated the premises of the Insolvency and Bankruptcy Board of India (IBBI) in New Delhi today. The IBBI is now located at 7th Floor, Mayur Bhawan, Shankar Market, Connaught Place, New Delhi 110 001. It was earlier functioning out of the CMA Bhawan in Lodhi Road, New Delhi.

Speaking on the occasion, Hon'ble Minister stated that Shri Atal Bihari Vajpayee, former Prime Minister of India, had said that Asia is slated to lead the world economy in the 21st century. He also stated that Dr. A. P. J. Abdul Kalam, former President of India, had envisioned India leading the world in the 21st century. Government is confident that India will attain such commanding position and it has been building right kind of institutions and undertaking appropriate reforms towards this end. The Insolvency and Bankruptcy Code, 2016 is a key reform in this direction that will facilitate ease of doing business and promote economic growth. The government accords highest priority to this reform. He appreciated the progress so far made by the Ministry of Corporate Affairs and the IBBI to implement this reform. He advised that this reform should be suitably disseminated at international fora. He emphasized that a regulator is duty bound to guide and steer the market forces in the right direction, and not be intrusive.

While welcoming the Hon'ble Minister and other guests to the programme, Chairperson, IBBI, Dr. M. S. Sahoo, stated that the IBBI is a unique regulator. It combines the role of a regulator of profession as well as of transactions. Unlike other professions where the regulator only develops and regulates the profession, the IBBI also writes rules for transactions undertaken by the professionals. He also stated that regulator is a mini state and accordingly, the IBBI has created three separate wings, namely, Research and Regulation Wing, Registration and Monitoring Wing and Administrative Law Wing.

The Insolvency Bankruptcy Code, 2016 provides a market determined, time bound mechanism for orderly resolution of insolvency, wherever possible, and ease of exit, wherever required. The IBBI is a key element of the ecosystem that implements the Insolvency and Bankruptcy Code, 2016. It was established on 1st October, 2016. It has the following broad responsibilities:

- a. Regulation and development of transaction processes and practices (Corporate Insolvency, Corporate Liquidation, Individual Insolvency and Individual Bankruptcy),
- b. Registration and regulation of service providers (Insolvency Professionals, Insolvency Professional Agencies and Information Utilities),

- c. Oversight and Enforcement (Surveillance, Investigation, Grievance Redressal and adjudication) of transactions and service providers, and
- d. Professional development (Education, Examination, Training, and Continuing Professional Education).

The IBBI has issued the following five market related regulations:

- a. the IBBI (Model Bye-laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016,
- b. the IBBI (Insolvency Professional Agencies) Regulations, 2016,
- c. the IBBI (Insolvency Professionals) Regulations, 2016,
- d. the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, and
- e. the IBBI (Liquidation Process) Regulations, 2016.

Under these regulations, there are three registered Insolvency Professional Agencies, namely, Indian Institute of Insolvency professionals of ICAI, ICSI Insolvency Professionals Agency, and Insolvency Professional Agency of Institute of Cost Accountants of India. There are 977 insolvency professionals who are registered for a limited period of six months. There are also 88 insolvency professionals, who have passed limited insolvency examination and have permanent registration. There are two recognised insolvency professional entities which provide organisational support to professionals. For information utilities, the work has started and the regulations are likely to be notified soon. The entire ecosystem required for corporate insolvency resolution and liquidation is in place. Transactions have commenced from 1st December, 2016. About 100 applications for corporate insolvency resolution have been filed with NCLT so far of which about 20 have been admitted.