

21<sup>st</sup> March, 2018

## **Insolvency and Bankruptcy Board of India**

### **Press Release**

#### **Insolvency and Bankruptcy Board of India invites comments on the draft syllabus of Limited Insolvency Examination.**

The Insolvency and Bankruptcy Code, 2016 (Code) provides for a class of regulated professionals, namely, Insolvency Professionals (IP), who constitute one of the four key pillars of the insolvency regime, other three being the Adjudicating Authority, the Insolvency and Bankruptcy Board of India (Board), and the Information Utilities. The IPs play an important role in resolution, liquidation and bankruptcy processes of companies, LLPs, partnership firms and individuals. For example, when a company undergoes corporate insolvency resolution process (CIRP), an IP is vested with the management of its affairs and he manages the operations of the company as a going concern. He conducts the entire CIRP. Such responsibilities of an IP require the highest level of professional excellence and integrity.

2. Section 196(1)(d) and (e) of the Code vest the Insolvency and Bankruptcy Board of India (Board) with powers to specify by regulations standards for the functioning of IPs and lay down by regulations the minimum curriculum for the examination of the IPs for their enrolment as members of the insolvency professional agencies. Section 207(2) empowers the Board to specify the categories of professionals or persons possessing such qualifications and experience in the field of finance, law, management, insolvency or such other field, as it deems fit. In exercise of its powers, the Board has notified the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (IP Regulations). These regulations provide that an individual with ten years of experience as a member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India or a Bar Council or with 15 years of experience in management is eligible for registration as an IP on passing the Limited Insolvency Examination.

3. Thus, an individual is eligible for registration as an IP if he has passed the Limited Insolvency Examination (Examination) subject to meeting other requirements. This examination is

conducted daily from 100+ locations, online (computer-based in a proctored environment) with objective multiple-choice questions. The syllabus and the questions for the examination are finalized by an Examination Committee constituted by the Board. The Board commenced the examination on 31<sup>st</sup> December 2016. The second phase of examination with revised syllabus and question bank commenced on 1<sup>st</sup> July 2017. The third phase with further revised syllabus and question bank commenced on 1<sup>st</sup> January 2018. The revisions accommodate the new knowledge that is being generated from ongoing processes under the Code and the emerging practices and evolving jurisprudence.

4. The Board believes that public consultation enables collective choice and imparts relevance and legitimacy to decisions. Accordingly, the Board invites comments and feedback on the draft syllabus of the fourth phase of Limited Insolvency Examination, which is placed at **Annexure** to this note.

5. The comments and feedback may please be mailed at [exam@ibbi.gov.in](mailto:exam@ibbi.gov.in) latest by 15<sup>th</sup> April, 2018.

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## Insolvency and Bankruptcy Board of India

### Draft Syllabus of the Limited Insolvency Examination

The draft syllabus for the Limited Insolvency Examination is as under:

SL No.	SUBJECT/ TOPICS	Weight (%)
1.	The Insolvency and Bankruptcy Code, 2016	20
2.	Rules and Regulations under the Bankruptcy Code (All Rules and Regulations notified under the Code till 31 <sup>st</sup> December, 2017)	20
3.	(i) The Companies Act, 2013 <ul style="list-style-type: none"> <li>• Chapter III Prospectus and Allotment of Securities</li> <li>• Chapter IV Share Capital and Debentures</li> <li>• Chapter V Acceptance of Deposits by Companies</li> <li>• Chapter VI Registration of Charges</li> <li>• Chapter VII Management and Administration</li> <li>• Chapter IX Accounts of Companies</li> <li>• Chapter XV Compromises, Arrangements and Amalgamations</li> <li>• Chapter XVII Registered Valuers</li> <li>• Chapter XVIII Removal of names of the companies from the register of companies</li> <li>• Chapter XX Winding-up of the companies</li> <li>• Chapter XXVII NCLT and NCLAT</li> </ul> (ii) The Partnership Act, 1932, and (iii) The Limited Liability Partnership Act, 2008 (Nature of LLP; Partners and their Relations; Limitation of Liability; Financial Disclosures)	10
4.	(i) The Indian Contract Act, 1872 (Voidable Contracts and Void Agreements; Contingent Contracts; Performance of Contract; Novation, Rescission and Alteration of Contracts; Agency; Consequences of breach of Contract; Indemnity and Guarantee, Surety; Bailment and Pledge; Set off) (ii) The Sale of Goods Act, 1930 (Sale, Condition and Warranty, Seller's Lien and Damages); (iii) The Transfer of Property Act, 1882. (iv) Specific Relief Act, 1963. (v) Negotiable Instruments Act, 1881.	6
5.	(i) The Recovery of Debts due to Banks and Financial Institutions Act, 1993;	

	(ii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002; and (iii) Corporate Debt Restructuring Scheme, Strategic Debt Restructuring, and Scheme for Sustainable Structuring of Stressed Assets (S4A of RBI) (iv) The Arbitration and Conciliation Act, 1996; (v) The Limitation Act, 1963.	6
6.	General Awareness (Economy, Financial Markets, Rights of Workmen under Labour Laws and fundamental concept of Valuation)	6
7.	Finance and Accounts (Corporate Finance, and Financial Analysis, Liquidity Management, Tax Planning, GST)	6
8.	Case Laws- Important decisions of NCLT (List of Important NCLT cases shall be specified), Decisions of Supreme Court, High Courts and NCLAT relating to Corporate Insolvency Resolution, Corporate Liquidation, Voluntary Liquidation and Fast Track Resolution Process. (There will be five questions carrying two marks each.)	10
9.	Transaction analysis on Corporate Insolvency Resolution. There will one comprehension narrating the transaction. (There will be four questions based on the case carrying two marks each.)	8
10.	Transaction analysis on Individual Insolvency Resolution and Individual Resolution. There will one comprehension narrating the transaction. (There will be four questions based on the case carrying two marks each.)	8
<b>Total</b>		<b>100</b>