

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

PRESS RELEASE

23rd November, 2016

1. The Insolvency and Bankruptcy Board of India (IBBI), in exercise of its powers conferred under section 240 of the Insolvency and Bankruptcy Code, 2016 (Code), has notified today the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016. These regulations inter alia provide for registration, regulation and oversight of insolvency professionals under the Code. These regulations shall come into effect from 29th November, 2016.

2. The following categories of individuals are eligible for registration as an insolvency professional:

(a) Advocates, Chartered Accountants, Company Secretaries and Cost Accountants with 10 years' of post-membership experience (practice or employment) or a Graduate with 15 years' of post-qualification managerial experience, on passing the Limited Insolvency Examination.

(b) Any other individual on passing the National Insolvency Examination.

3. However, Advocates, Chartered Accountants, Company Secretaries and Cost Accountants with more than 15 years' of practice experience may seek registration, without any examination. But applications for such registration need to be made till 31st December, 2016 and such registration shall be valid for a limited period of six months.

4. There shall be a 'National Insolvency Examination' the details of which will be specified through regulations. There shall also be 'Limited Insolvency Examination'. The syllabus, format and frequency of the 'Limited Insolvency Examination', including qualifying marks, shall be published on the website of the Board at least one month before the examination.

5. A limited liability partnership, a registered partnership firm and a company may be recognised as an insolvency professional entity if a majority of the partners of the limited liability partnership or registered partnership firm or a majority of the whole-time directors of the company are registered as insolvency professionals under the Code. An insolvency professional may use the organisational resources of a recognised insolvency professional entity subject to the condition that the entity as well as the insolvency professional shall be jointly and severally liable for all acts of omission or commission of its partners or directors as insolvency professionals.

These two regulations are available at www.mca.gov.in and www.ibbi.gov.in