

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

PRESS RELEASE

30th November, 2016

The Insolvency and Bankruptcy Board of India (Board), 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 Resolution Process for Corporate Persons) Regulations, 2016. These regulations inter alia provide for the details of activities from initiation of corporate insolvency resolution process (CIRP) till its conclusion with approval of the resolution plan by the Adjudicating Authority. These regulations shall come into effect from 1st December, 2016.

These regulations prohibit an insolvency professional from acting as a resolution professional for CIRP of a corporate debtor if he is not independent of the corporate debtor. These prohibit partners or directors of an insolvency professional entity of which the insolvency professional is a partner or director from representing other stakeholders in the same CIRP. These oblige the insolvency professional to make disclosures - initial and continuing - if he has any pecuniary or personal relationship with any of the stakeholders entitled to distribution of assets.

These regulations specify the manner and contents of public announcement, receipt and verification of claims of creditors, formation of committee of creditors, and manner of holding meetings of committee of creditors and voting in such meetings. These also specify the contents of information memorandum and of resolution plan, including its implementation schedule, and the manner of determination of liquidation values. These further specify the components of resolution process costs and scope of essential supplies.

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