

Insolvency and Bankruptcy Board of India

Subject: Operationalisation of the Insolvency and Bankruptcy Fund (IBF)

Section 224 of the Insolvency and Bankruptcy Code, 2016 (Code) provides for formation of the Insolvency and Bankruptcy Fund (different from the Board's Fund under section 222) for the purposes of insolvency resolution, liquidation and bankruptcy of persons under this Code. It reads as under:

“(1) There shall be formed a Fund to be called the Insolvency and Bankruptcy Fund (hereafter in this section referred to as the “Fund”) for the purposes of insolvency resolution, liquidation and bankruptcy of persons under the Code.

(2) There shall be credited to the Fund the following amounts, namely —

(a) the grants made by the Central Government for the purposes of the Fund;

(b) the amount deposited by persons as contribution to the Fund;

(c) the amount received in the Fund from any other source; and

(d) the interest or other income received out of the investment made from the Fund.

(3) A person who has contributed any amount to the Fund may, in the event of proceedings initiated in respect of such person under this Code before an Adjudicating Authority, make an application to such Adjudicating Authority for withdrawal of funds not exceeding the amount contributed by it, for making payment to workmen, protecting the assets of such persons, meeting the incidental cost during the proceedings or such purposes as may be prescribed.

(4) The Central Government shall, by notification, appoint an administrator to administer the fund in such manner as may be prescribed.”

2. A perusal of section 224 reveals the following:

Sub-section	Clarity Available	Clarity Required
(1)	The Fund is for the purposes of insolvency resolution, liquidation and bankruptcy of persons under the Code.	Who will form it and how it will be formed? What could be the possible purposes of insolvency resolution, liquidation and bankruptcy, where this fund can be utilised?

(2)	The sources of the Fund are: grants made by central government, amount deposited by persons as contributions to the fund, amount received from any other source, and interest or other income received out of the investment.	<p>Are the sources adequate to meet the purposes?</p> <p>Under what circumstances, central government may make a grant?</p> <p>What is the incentive for persons to make contribution?</p> <p>From what other sources can contributions be received? Who will decide such eligible sources?</p> <p>What are the possible tax incentives which may be granted for such contributions?</p> <p>How and where would the surplus balance lying in the Fund be invested?</p>
(3)	Only a person who has contributed to the fund may withdraw to the extent of its contribution, for making payment to workmen, protecting its assets, meeting the incidental cost during the proceedings or such purposes as may be prescribed.	<p>If only a contributory can withdraw and that too, to the extent of his contribution, why should it contribute; how other amounts received in the Fund be used, for what other purposes a contributory may withdraw funds?</p> <p>Can non-contributories seek drawal from the Fund?</p> <p>There are situations, resources are not available to conduct the proceedings under the Code. Can such proceedings be supported from this Fund?</p>
(4)	The Central Government shall, by notification, appoint an administrator to administer the fund in such manner as may be prescribed.	<p>Whether Administrator is an independent establishment?</p> <p>Who can be an Administrator?</p> <p>How will he be appointed, and his office be manned.</p> <p>Whether special Rules are required to be notified for administration of the Fund?</p>

3. The Bankruptcy Law Reforms Committee does not throw any light on the establishment of such a Fund. Nor do the notes on clauses to section 224 of the Insolvency and Bankruptcy Code, 2015 Bill, as introduced in Lok Sabha. It merely states:

“Clause 224 of the Insolvency and Bankruptcy Code seeks to constitute an Insolvency and Bankruptcy Fund for the purposes of insolvency resolution, liquidation and bankruptcy of persons in which the Central Government shall contribute in the form of grants.”

4. On perusing the provisions relating to the insolvency and revival and rehabilitation of companies under the erstwhile laws, it is noted that similar provisions subsisted under section 269 of the Companies Act, 2013 (CA, 2013) (dealing with the Rehabilitation and Insolvency Fund for the purposes of rehabilitation, revival and liquidation of the sick companies) and section 441C of the Companies Act, 1956 (CA, 1956) (dealing with Rehabilitation Fund for the purposes of rehabilitation or revival or protection of assets of a sick industrial company). It is useful to compare these provisions as under:

Particulars	Section 224 (Code)	Section 269 (CA, 2013)	Section 441C (CA, 1956)
Scope (Who is eligible to contribute and withdraw from the Fund)	Wider, as the Code is applicable to a ‘person’ as defined under section 3(23) to include: “an individual, a hindu undivided family, a company, a trust, a partnership, a limited liability partnership and any other entity established under a statute and includes a person resident outside India.”	Narrower, as the Companies Act, 2013 is applicable to companies.	Narrower, as the Companies Act, 1956 was applicable to companies.
Contribution to the Fund (Optional/ Obligation)	Contribution to the Fund by person is ‘optional’.	Contribution to the Fund by companies is ‘optional’.	Contribution for the purposes of rehabilitation or revival or protection of assets of the sick industrial company was made compulsory by the Amendment Act, 2002. However, the amount is to be first credited to Consolidated Fund of

			India (CFI) and out of such proceeds, the Government may, by appropriation, credit such amount as it thinks fit, to the Fund.
Recovery	No recovery.	No recovery.	Where the Fund has been used, such amount of Fund shall be recovered from the company after its revival or rehabilitation or out of sale proceeds of its assets after discharging the statutory liabilities and payment of dues to creditors.
Sources of Fund	Grants made by central government, amount deposited by persons as contributions to the Fund, amount received from any other source, and interest or other income received out of the investment of the Corpus of the Fund.	Same as the Code.	Amount given by Government from appropriation, grants made by Government, any amount given to the Fund from any other source, any income from investment of the amount in the Fund, and amount refunded by the company.
Application of the Fund	Wider, as it may be withdrawn by a contributory for making payment to workmen, protecting its	Narrower, as it may be withdrawn by a contributory for making payment to	Wider, as it may be utilised for making interim payment of workmen's dues, payment

	assets, meeting the incidental cost during the proceedings or such purposes as may be prescribed.	workmen, protecting its assets, meeting the incidental cost during the proceedings.	of workmen's dues due to the workmen, protection of assets, revival or rehabilitation of sick industrial company.
Administration	An Administrator.	An Administrator.	Tribunal.

5. The provisions dealing with Rehabilitation Fund (Section 441A – 441G) were incorporated under the Companies Act, 1956 through the Companies (Second Amendment) Act, 2002. However, these provisions were never notified. Further, the Companies Act, 2013 also contained a provision dealing with Rehabilitation and Insolvency Fund (section 269). The said provision was part of Chapter XIX (Revival and Rehabilitation of Sick Companies) of the Companies Act, 2013 which was inserted as an alternative of SICA when it will be repealed. However, Chapter XIX never got notified and was omitted when section 255 of the Code was brought into force vide notification dated November 15, 2016. It is, however, important to note the concerns / purpose expressed in Parliament when the Insolvency and Bankruptcy Code Bill, 2015, the Companies Bill, 2011 and the Companies (Amendment) Bill, 2001, were considered in the Lok Sabha:

a. INSOLVENCY AND BANKRUPTCY CODE, 2015

One Hon'ble Member of Parliament, observed: “....Lastly, he (Hon'ble Finance Minister) has talked about a new fund with this Insolvency and Bankruptcy Board of India. His idea, if I understood correctly, is that all the assets should go into the Consolidated Fund of India and then that fund will be transferred to this Board. They will decide on the payment to the different creditors. My simple question is whether it is only the asset of the closed companies or it is some money that the Government will give to revive sick companies. If that is so, the question remains, there are small fraudsters and there are big fraudsters like Kingfisher. They have siphoned off money from a company and now the company goes into liquidation. Will the Government pay from the Consolidated Fund of India to revive or pay back the fraudsters? So, that question is not quite clear to me from the law as such.....”

He further observed: “Now, this Bill leaves certain questions in my mind. I am not very clear as to the purpose of establishing the Insolvency and Bankruptcy Fund because the Government is to put

money into the Insolvency and Bankruptcy Fund. What is the purpose? It has nowhere been stated as to why they are setting up such a Fund....”..

Another Hon’ble Member of Parliament observed: “.....One colleague had asked about what was the insolvency fund that you had created. There are no clear guidelines as to how the fund will be funded and how the fund will be used.”

Another Hon’ble Member of Parliament observed: “....Finally, I just want to speak on Insolvency and Bankruptcy Fund. Two of our colleagues have already mentioned about this. I will conclude just by saying this. Here, it is mentioned that the deposits made in the Insolvency and Bankruptcy Fund will include grants made by the Central Government. My question is as to why the Central Government will deposit in this Fund. Why? Secondly, why will the persons be interested to deposit in this Fund? I want to know about these two questions from the Finance Minister.....”.

b. THE COMPANIES BILL, 2011

Hon’ble Minister of State of the Ministry of Corporate Affairs observed:

“.... We are also creating a Rehabilitation and Insolvency Fund so that at the time of insolvency and while the liquidation process is on, I think, it is those people who want the least amount of wages and whose future they have to secure हम इसमें उनकी कम से कम दो साल की तनखाह मैनडेटरी कर रहे हैं और उनका कम्पनी के ऊपर जो क्लेम होगा, वह सारे क्रेडिटर्स से ज्यादा होगा।”

c. THE COMPANIES (AMENDMENT) BILL, 2001

One Hon’ble Member of Parliament observed: “..... They want to set up a fund, the formation of which will be done by levying cess. What for is this? It is for rehabilitation and revival of assets of the sick industrial companies, a levy at a rate of not less than .005 per cent. They will manage the fund. More than four lakh units have become sick because of their policy. Because of the wrong form of malfunctioning, maladministration, collusion with unscrupulous operators and promoters, daily new companies are becoming sick.....”

Hon’ble Minister of Finance and Company Affairs observed: “... The Revival and Rehabilitation Fund will be used for making interim payment of workers’ dues pending the total revival, and the Tribunal shall have power to dispose of the assets of a sick company even during the period of inquiry so as to enable payment to workmen whenever considered necessary.....”

He further observed: *".....Madam, I was on the question of revival and rehabilitation. There is a proposal to establish a Revival and Rehabilitation Fund. Therefore, it is incorrect to say there is no emphasis on revival or rehabilitation. The revival cess will not be less than 0.005 per cent and not more than 0.1 per cent of the annual turnover of each company which is paying it. The Fund shall be applied by the Tribunal for the purpose of making interim payment of workmen' dues or rehabilitation of the sick industrial companies, or payment of workmen' dues to the workmen or protection of assets or revival or rehabilitation of sick industrial company, which in the opinion of the Tribunal, are unnecessary or expedient for the said purpose. Therefore, I do not wish to dwell much longer on that....."*

6. There are not many examples of Funds for insolvency and bankruptcy purposes.

- a. One instance is found in the Australia's Bankruptcy Act, 1966. Section 305 of the Bankruptcy Act, 1966 deals with payment of expenses by Commonwealth.

"305 Payment of expenses by Commonwealth

(1) Where the Minister, upon the application of the trustee of the estate of a bankrupt, the trustee under Part X in relation to a debtor or the trustee of the estate of a deceased person that is being administered under Part XI of this Act, is satisfied:

(a) that proceedings relating to:

(i) the estate of the bankrupt, the debtor or the deceased person; or

(ii) any of the examinable affairs of the bankrupt, the debtor or the deceased person;

should be instituted, continued or defended; or

(aa) that the trustee should appear and participate in proceedings before the Administrative Appeals Tribunal reviewing a decision or determination by the trustee, or reviewing a decision of the Inspector-General on a review of such a decision or determination; or

(b) that inquiries should be made concerning:

(i) the estate of the bankrupt, the debtor or the deceased person; or

(ii) any of the examinable affairs of the bankrupt, the debtor or the deceased person;

and is also satisfied that the moneys in the estate of the bankrupt, the debtor or the deceased person, as the case may be, are, or may be, insufficient to meet the cost of the proceedings or inquiries, the Minister may, by instrument in writing, direct that the cost of the proceedings or inquiries (including any costs that may be awarded against the trustee), or such part of the cost of the proceedings or inquiries (including any costs that may be awarded against the trustee) as is specified in the direction, be paid by the Commonwealth and, in that case, the cost or that part

of the cost, as the case may be, shall be paid accordingly out of moneys available under an appropriation made by the Parliament.

(2) A direction made by the Minister under subsection (1) may be subject to such conditions (including conditions as to the taxation of all or any costs and the reimbursement of the Commonwealth, in whole or in part, by the estate of the bankrupt, the debtor or the deceased person, as the case may be) as the Minister thinks fit.

(3) The Minister may, by instrument in writing, revoke or vary a direction made by him or her under subsection (1).

(4) In this section:

estate, in relation to a personal insolvency agreement under Part X, means the property and income subject to the agreement.

Section 305 of the Bankruptcy Act is intended to facilitate the proper carrying out of the trustee's statutory and fiduciary duties. Funding may only be approved if the Minister or the delegate is satisfied that the moneys in the estate of the bankrupt, the debtor or deceased person are or may be insufficient to meet the costs of proposed proceedings or inquiries. An approval for Commonwealth funding of an activity may be subject to any conditions the Minister or delegate thinks fit (including conditions as to taxation, amount of counsel fees and reimbursement).

Funding may be approved where: (a) either: (i) the trustee has reasonable prospects of a successful outcome in proceedings initiated, or proposed to be initiated, by the trustee in the Court or the Administrative Appeals Tribunal; or (ii) the trustee should defend an application for a review of a decision by the trustee in the Court or the Administrative Appeals Tribunal; or (iii) a party other than the bankrupt has instituted proceedings in the Court or the Administrative Appeals Tribunal that the trustee should defend; and the creditors have insufficient financial resources to put the trustee in funds or to indemnify the trustee against an award of costs; or (b) the actions of the bankrupt or debtor give rise to the inference that the bankrupt or debtor is intentionally breaching their obligations or duties under the Act; or (c) a significant question of law has arisen that requires resolution.¹

¹https://www.afsa.gov.au/sites/default/files/guidelines_relating_to_the_provision_of_funding_for_trustees_section_305.pdf.

Funding is ordinarily not be approved for instituting proceedings unless: (a) the trustee has approached creditors to provide cash advances or indemnities in respect of costs, or exhausted alternative opportunities for litigation funding (funding will generally not be provided merely on the basis that creditors have refused to provide cash or indemnities); and (b) the delegate is satisfied that undertaking the litigation is consistent with the Performance Standards for Trustees in Schedule 4A of the Bankruptcy Regulations, particularly in relation to standards 2.4 and 2.13 concerning the realisation of assets and incurring only necessary and reasonable costs; (c) the delegate is satisfied that it would be appropriate for the trustee to commence the litigation; and (d) the trustee has obtained legal advice on the prospects of success of the proposed proceedings.

²

Funding for inquiries to locate a bankrupt who cannot be located will ordinarily be limited to \$500 for local inquiries and \$800 for Australia wide inquiries (inclusive of GST). A direction is not ordinarily be given unless the trustee has taken reasonable steps to locate the bankrupt.³

Funding is provided to a trustee under Part X of the Act only in exceptional circumstances, due to the voluntary and commercial nature of personal insolvency agreements, the disclosures required by the debtor, and the preliminary investigations that need to be made by controlling trustees prior to creditors voting on the proposal.

- b. Another instance is found in the UK Insolvency Act, 1986. Section 407 of the UK Insolvency Act, 1986 deals with unclaimed dividends and undistributed balances reads as under:

“407 Unclaimed dividends and undistributed balances

(1) The Secretary of State shall from time to time pay into the Consolidated Fund out of the Insolvency Services Account so much of the sums standing to the credit of that Account as represents—

(a) dividends which were declared before such date as the Treasury may from time to time determine and have not been claimed, and

(b) balances ascertained before that date which are too small to be divided among the persons entitled to them.

² *ibid*

³ *ibid*

(2) For the purposes of this section the sums standing to the credit of the Insolvency Services Account are deemed to include any sums paid out of that Account and represented by any sums or securities standing to the credit of the Investment Account.

(3) The Secretary of State may require the National Debt Commissioners to pay out of the Investment Account into the Insolvency Services Account the whole or part of any sum which he is required to pay out of that account under subsection (1); and the Commissioners may direct the sale of such securities standing to the credit of the Investment Account as may be necessary for that purpose."

Para above has made a reference to the Insolvency Service Account (ISA). The Insolvency Regulations 1994 require Official Receivers and insolvency practitioners to pay into the ISA at the Bank of England money received by them in the course of their administration of bankruptcies and compulsory liquidations. Voluntary liquidators may deposit funds into the ISA. The Regulations also provide for payments from the ISA of disbursements, expenses and distributions to creditors and to contributories in company liquidations (Regulations 7, 8, 22 and 23). Estate monies deposited in the ISA are generally transferred to the Investment Account (Section 403(2) of the Act) although the Regulations provide that trustees and liquidators may request investment in Government Securities of estate monies not required for immediate purposes (Regulation 9(1) & 23A). The ISA is administered by the Estate Accounts Services of The Insolvency Service.⁴

The Insolvency Services Investment Account is maintained by Commissioners for the Reduction of the National Debt (CRND) at the Bank of England. CRND may invest any money standing to the credit of this Account in accordance with the Trustee Investments Act, 1961 and Treasury directions. Income earned on these investments is used to pay interest and tax under the Regulations to individual estates. Investments are realised to make repayments to the ISA to meet the demands in respect of bankrupts' or companies' estates.⁵

7. It is observed that there are a few comparable Funds, though for different purposes, under other laws. Section 11(5) of the SEBI Act, 1992 provides for the Investor Protection and Education Fund. Section 125 of the Companies Act, 2013 provides for establishment of the Investor Education and Protection Fund. Brief details of these Funds are as under:

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/247620/0408.pdf.

⁵ *ibid*

Particulars	Investor Protection and Education Fund	Investor Education and Protection Fund
Establishment by	SEBI	Central Government
Purpose	Protection of investors and promotion of investor education and awareness in accordance with these regulations.	Promotion of investors' awareness and protection of the interests of investors.
Sources	<ul style="list-style-type: none"> - Contribution by the SEBI. - Grants and donations by the Central Government, State Government or any other entity approved by the SEBI for this purpose. - Forfeited amounts under the SEBI (SAST) Regulations, 2011, SEBI (Buy-back of Securities) Regulations, 1998. - Monies transferred under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. - In the event of derecognition of stock exchange amounts in the Investor Protection Fund and Investor Services Fund and security deposits (public issues and rights issues), if any. - Disgorged amount (under section 11B of the SEBI Act or section 12A of the SCRA or section 19 of the Depositories Act, 1996). 	<ul style="list-style-type: none"> - Grants and donations by the Central Government - Donations given by the, State Governments, companies or any other institution. - Amount in the Unpaid Dividend Account of companies transferred to the Fund under <u>section 124(5)</u>. - Amount transferred to general revenue account under <u>section 205A (5)</u> of the Companies Act, 1956. - Amount lying in the IEPF under <u>section 205C</u> of the Companies Act, 1956. - Interest or other income received out of investments made from the Fund. - Disgorged amount received pursuant to <u>section 38 (4)</u>. - Application money received by companies for allotment of any securities and due for refund and interest accrued on the amounts.

	<ul style="list-style-type: none"> - Interest or other income received out of any investments made from the Fund. - Amounts as the SEBI may specify in the interest of investors. 	<ul style="list-style-type: none"> - Matured deposits with companies other than banking companies and interest accrued. - Matured debentures with companies and interest accrued. - Sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for 7 or more years. - Redemption amount of preference shares remaining unpaid or unclaimed for 7 or more years and - Such other amount as may be prescribed.
Uses	<ul style="list-style-type: none"> - Protection of investors and promotion of investor education and awareness. - educational activities including seminars, training, research and publications, aimed at investors. - awareness programmes including through media - print, electronic, aimed at investors. - funding investor education and awareness activities of Investors' Associations recognized by SEBI. - aiding investors' associations recognized by SEBI to undertake legal proceedings in the interest of investors in securities that are listed or proposed to be listed. 	<ul style="list-style-type: none"> - the refund in respect of unclaimed dividends, matured deposits, matured debentures, the application money due for refund and interest thereon. - promotion of investors' education, awareness and protection. - distribution of any disgorged amount among eligible and identifiable applicants for shares or debentures, shareholders, debenture-holders or depositors who have suffered losses due to wrong actions by any person, pursuant to the order of Court. - reimbursement of legal expenses incurred in pursuing class action suits under <u>sections 37</u> and <u>245</u> by members, debenture-holders or

	<ul style="list-style-type: none"> - refund of the security deposits which are held by stock exchanges and transferred to the Fund consequent on de-recognition of the stock exchange as mentioned in regulation 4(d), in case the concerned companies apply to the SEBI and fulfil the conditions for release of the deposit. - expenses on travel of members of the Committee, who are not officials of the SEBI, and special invitees to the meetings of the Committee, in connection with the work of the Committee. - salary, allowances and other expenses of office of Ombudsman. - such other purposes as may be specified by the SEBI. 	<p>depositors as may be sanctioned by the Tribunal;</p> <ul style="list-style-type: none"> - any other purpose incidental thereto.
Administration	In accordance with the SEBI (Investor Protection and Education Fund) Regulations, 2009 read with section 11 of the SEBI Act.	In accordance with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 read with section 125 of the Companies Act, 2013.
Administrator	SEBI under the guidance of an Advisory Committee.	Investor Education and Protection Fund Authority.
Composition of Committee / Authority	<p>The Advisory Committee consist of:</p> <p>(a) the Executive Director of the SEBI in charge of Office of</p>	<p>Composition: It shall consist of:</p> <p>(a) Chairperson (Secretary- MCA)</p> <p>(b) Six members, and</p> <p>(c) Chief Executive Officer.</p>

	Investor Assistance and Education; (b) two other officials of the SEBI; and (c) five other members who have expertise about the securities market and experience in matters of investor grievance redressal or investor education.	
Audit	The accounts of the Fund is audited as other accounts of the SEBI, that is, by CAG.	The accounts of the Fund is audited by the CAG.

9. The commencement of the section 224 of the Code and operationalisation of the Fund has been deliberated at the meetings at various meetings with the stakeholders. Based on the feedback received, it is proposed to make regulations to start with and seek an amendment to section 224 in due course, as under:

A. Sources of Fund

- a. The contribution to Fund is voluntary. It may remain voluntary for any person to contribute. It may contribute and withdraw to the extent of contribution to meet expenses of a proceeding under the Code.
- b. One may also contribute without any intention of withdrawing. Such contribution could be backed by tax relief for the contributor.
- c. The contribution could be compulsory for those who use or benefit from the processes under the Code. For example, a financial creditor may be required to contribute Rs.100 for every Rs. 1 crore recovery by him from a resolution or liquidation process.
- d. Since rescue of viable businesses and closure of unviable ones are broader socio-economic objectives which ameliorate sufferings of stakeholders, the companies may be allowed to make CSR contributions to this Fund, in contrast to mandatory subscription by all companies under the Companies Act, 1956. This will require amendment of schedule VII of the Companies Act 2013.
- e. The Fund under the Code will be used to support a proceeding in respect of a person in distress. However, the amount could be recovered after the person is out of distress, in line with the Companies Act, 2013.

- f. There could be some situations where there are no claimants to claim liquidation proceeds or realisations from avoidance transactions. Such unclaimed money can be credited to the Fund.
- g. Money lying in Companies Liquidation Account under the Companies Act, 1956 or Companies Liquidation Dividend and Undistributed Assets Account under the Companies Act, 2013 pursuant to the reason of inability to pay debts in compulsory liquidation and voluntary liquidation may be credited to this Fund. The proceedings pursuant to the compulsory liquidation on account of inability to pay debts and voluntary liquidation are now covered under the Code.
- h. The amount disgorged, pursuant to the direction issued under section 220(4) of the Code, may be credited to the Fund.
- i. The interest or other income received out of the investment made from the Fund may be credited to the Fund.
- j. The Government may be liberal in making grant in the first two years to set the Fund in motion. Thereafter, the Fund should be self-rolling.

B. Uses of Fund

- a. Scope of the Fund under the Code is wider. It may remain wide to meet difficulties in insolvency proceedings (resolution, liquidation and bankruptcy) in respect of persons covered under the Code.
- b. The Fund may be used for withdrawals by the persons, who have contributed earlier, to the extent of their contribution, to meet expenses of their insolvency proceedings.
- c. There are situations when it is difficult to carry on the insolvency proceedings for want of resources. The Fund may be used to support the proceedings for specific expenses within limits in the manner prescribed /specified. The purposes could be payment to workmen, payment to insolvency professional, facilitation of fresh start, follow up on avoidance transactions, etc. The prerequisites for providing such support shall be laid down. It may be considered to provide a cap on the size of funds as may be withdrawn by a person, i.e., in cases other than where a person has contributed to the Fund (in which case withdrawal is only permitted to the extent of contribution made).
- d. A provision may be made of recoupment of funds provided for CIRP, where the process has yielded revenue.
- e. The Fund may be used for advocacy and awareness activities and research and publications.
- f. The Fund may be used to meet salary, allowances and other expenses of office of Administrator.;

C. Administration

- a. The Fund may be administered by an Administrator in accordance with Rules / Regulations.

- b. The utilisation from the Fund may be approved by the Administrator based on an application to by the insolvency professional responsible for the proceeding.
- c. The establishment matters of Administrator may be provided through Rules / Regulations.