

Insolvency and Bankruptcy Board of India

Subject: Service Providers

Insolvency Professionals

Individuals, who have the required qualification and experience, have passed the Limited Insolvency Examination and completed Pre-registration Educational Course, are being registered as Insolvency Professionals (IPs). As on 31st August 2018, 1987 individuals are registered with the Board as IPs, details of which are as under:

City / Region	Indian Institute of Insolvency professional of ICAI	ICSI Institute of Insolvency Professionals	Insolvency Professional Agency of Institute of Cost Accountants of India	Total
New Delhi	242	163	41	446
Rest of Northern Region	168	105	28	301
Mumbai	227	76	20	323
Rest of Western Region	156	72	21	249
Chennai	79	45	7	131
Rest of Southern Region	187	114	30	331
Kolkata	115	26	10	151
Rest of Eastern Region	39	11	5	55
Total	1213	612	162	1987

2. 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. The distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on 31st August, 2018 is as under:

Eligibility	No. of IPs
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Member of ICAI	1110
Member of ICSI	414
Managerial Experience	211
Member of Bar Council	126
Member of ICAI (Cost)	126
Total	1987

Replacement of IRP with RP

3. Section 22(2) of the Code states that the Committee of Creditors (CoC) may in the first meeting, by a majority votes of not less than sixty six percent of the voting share of the financial creditors, either resolve to appoint the Insolvency Resolution Professional (IRP) as the Resolution Professional (RP) or to replace the IRP by another IP to function as the RP. Under section 22 (4) of the Code, the Adjudicating Authority (AA) shall forward the name of the RP, proposed by the CoC, under section 22 (3) (b) of the Code, to the Board for its confirmation and shall make such appointment after confirmation by the Board. However, in order to avoid such reference by AA to the Board and thereby save time, a database of all the IPs registered with the Board has been shared with the AA, disclosing whether any disciplinary proceeding is pending against the IP. While, the database is currently being used by the AA, in few cases, the Board has received references from the AA under section 22 (4) of the Code, which have been timely complied with. Accordingly, till 31st August, 2018, 109 IRPs have been replaced with RPs, (based on reference made by the AA to the Board), as under:

CIRP initiated by	No. of CIRPs where the AA has referred for replacement of IRP by another IP as the RP
Corporate Applicant	37
Operational Creditor	35
Financial Creditor	37
Total	109

Capacity Building of IPs

4. The Board has been organizing a two-day workshop for newly registered IPs with a view to build their capacity. So far the Board has organized 10 workshops covering about 500 IPs. It is encouraging and assisting IPAs to organize similar workshops.

5. The Board, in association with the three IPAs, namely, the Indian Institute of Insolvency Professionals of ICAI (IIIPICAI), the ICSI Institute of Insolvency Professionals (ICSIIP) and the Insolvency Professional Agency of Institute of Cost Accountants of India (IPAICAI), conducted an IP Conclave on 26th May, 2018 in Mumbai. Over 250 IPs participated in the conclave. It was the second of such Conclave, the first one was organized on 10th February, 2018 at New Delhi. The conclave focussed on conduct of IPs.

6. The BFSI Sector Skill Council under the guidance of Ministry of Skill Development and Entrepreneurship (MSDE) and the Insolvency and Bankruptcy Board of India (IBBI / the Board), in partnership with the three Insolvency Professional Agencies, namely, IIIPICAI, ICSIIP and IPAICAI, and with the Society of Insolvency Practitioners of India (SIPI) as knowledge partner, launched a one-day refresher programme for Insolvency Professionals (IPs) on 24th August, 2018 in Delhi. The programme focusses on ethics and conduct for IPs and recent developments in the insolvency and bankruptcy regime in India. It is expected that all IPs registered with the Board will participate in and benefit from this programme. There is no enrolment or course fee for participation in the programme. It is one of its kind in the country funded under Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

Recommendation for Appointment as IRP/Liquidator

7. Section 16 (3) (a) of the Code requires the AA to make a reference to the Board for recommendation of an IP who may act as an IRP in case an operational creditor has made an application for CIRP and has not proposed an IRP. The Board, within ten days of the receipt of the reference from the AA, is required under section 16 (4) of the Code to recommend the name of an IP to AA against whom no disciplinary proceedings are pending. Similarly, section 34 (4) of the Code requires the AA to replace the RP, if (a) the resolution plan submitted by the RP under section 30 was rejected for failure to meet the requirements mentioned in sub-section (2) of section 30; or (b) the Board recommends the replacement of a RP to the AA for reasons to be recorded in writing. In such cases, the AA may direct the Board under section 34 (5) of the Code to propose the name of another IP to be appointed as a liquidator. The Board is required under section 34 (6) to propose the name of another IP within ten days of the direction issued by the AA.

8. Since every IP is equally qualified to be appointed as IRP/Liquidator of any CIRP/Liquidation Process, if otherwise not disqualified, and in the interest of avoiding administrative delays, the Board proposed to prepare a panel of IPs, bench wise based on the

registered office of the IP, for appointment as IRP or Liquidator and share the same with the AA. The AA may pick up any IP from the panel for appointment as IRP or Liquidator for a CIRP or Liquidation, as the case may be. Accordingly, the Board issued the ‘Insolvency Professionals to act as Interim Resolution Professionals or Liquidators (Recommendation) Guidelines, 2017 on 15th December, 2017 to govern the process of empanelment. It prepared a panel of IPs for appointment as IRP or Liquidator valid for January - June, 2018 in accordance with the Guidelines and shared the same with the AA. The panel found acceptability of the AA as well as the Appellate Authority.

9. Based on the experience, the Board issued the ‘Insolvency Professionals to act as Interim Resolution Professionals or Liquidators (Recommendation) Guidelines, 2018” on 31st May, 2018 to prepare a panel for July - December, 2018. In accordance with the said Guidelines, the Board invited expression of interest on 6th June, 2018 from IPs for inclusion of their names in the panel. After following the due process, it has prepared the panel of IPs for July-December, 2018 and shared the same with the AA.

Insolvency Professional Entities (IPEs)

10. Regulations 12 to 14 of the IBBI (Insolvency Professionals) Regulations, 2016 provide for recognition of an Insolvency Professional Entity (IPE). An IPE provides support services to insolvency professionals who are its partners or directors. As on 31st August, 2018, 80 IPEs have recognized, of which five have been derecognized.

11. It was observed that a few market participants were seeking empanelment of IPEs and a few IPEs were seeking empanelment with market participants. Keeping in view of role of an IPE, the Board has directed them to refrain from seeking empanelment with or joining any panel of any market participant.

Insolvency Professional Agencies (IPAs)

12. IPAs are front-line regulators for insolvency professionals. They are regulated by the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, and the IBBI (Insolvency Professional Agencies) Regulations, 2016. In November, 2016, The Board had registered three IPAs, namely IIPICAI, ICSIIP and IPAICAI.

13. The Board has institutionalised a meeting the MDs/CEOs of IPAs (and IUs) on 7th of every month to discuss various issues arising in the IP profession and to energise them to build capacity of the IPs. The IPAs are conducting pre-registration educational course for prospective IPs. They are monitoring disclosures by IPs in respect of relationship and fee and expenses of CIRPs and disseminating the same on their respective web sites. They are also disclosing their Annual Compliance Certificate on their web sites.

Information Utilities (IUs)

14. An IU, stores financial information that helps to establish defaults as well as verify claims expeditiously and thereby facilitates completion of transactions under the Code in a time bound manner. The Board has notified the IBBI (Information Utilities) Regulations, 2017 to provide for its shareholding and governance. The Board has registered National E-Governance Services Limited (NeSL) on 25th September, 2017 as first IU under the IBBI (Information Utilities) Regulations, 2017. This registration is valid for a period of five years from the date of registration. NeSL has been promoted by SBI, Canara Bank, Bank of Baroda and others. At the end of August, 2018, the details of information with NeSL is as under:

Creditors	Number of Creditors having Agreement with NeSL	Number of Creditors who have submitted Information	Number of Debtors for whom Information is submitted by Creditors	Number of Loan Records on boarded	Number of User Registrations by Debtors	Number of Loan Records Authenticated by Debtors
Financial Creditors	75	33	193,712	394,858	4,523	5,322
Operational Creditors	NA	128	99	162	10	32

Registered Valuers Organizations (RVOs)

15. The RVOs are frontline regulators for registered valuers. They provide the institutional arrangement for the oversight, including the development and regulation of the registered valuers (RVs). The RVOs grant membership to Valuers, who comply with the eligibility requirements as provided in the Rules, conducts the educational course in valuation and provide the training for the individual members. As on 31st August, 2018, a total of 8 RVOs have been recognized as under:

Sl. No.	Name of RVO	Asset Class		
		Land and Building	Plant and Machinery	Securities or Financial Assets
1	Institution of Estate Managers and Appraisers	Yes	Yes	Yes
2	IOV Registered Valuers Foundation	Yes	Yes	Yes
3	ICSI Registered Valuers Organisation	Yes	Yes	Yes
4	The Indian Institution of Valuers	Yes	Yes	Yes
5	ICMAI Registered Valuers Organisation	Yes	Yes	Yes
6	ICAI Registered Valuers Organisation	-	-	Yes
7	PVAI Valuation Professional Organisation	Yes	Yes	Yes
8	CVSRTA Registered Valuers Association	Yes	Yes	-

The Board has institutionalized a monthly meeting with the CEOs of RVOs on 7th of every month to discuss various issues arising in the valuation profession and to energise them to build capacity of the registered valuers.

Registered Valuers (RVs)

16. Subject to meeting other requirements, an individual is eligible to be a registered valuer, if he (i) is a fit and proper person, (ii) has the necessary qualification and experience, (iii) is a valuer member of a RVO, (iv) has completed a recognised educational course as member of a RVO, and (v) has passed the valuation examination conducted by the IBBI, and (vi) is recommended by the RVO for registration as a valuer. A partnership entity or a company is also eligible for registration subject to meeting the requirements. The Hon'ble Minister of State for Law & Justice and Corporate Affairs, Shri P. P. Chaudhary gave away registration certificates to the first set of 16 registered valuers at an event on 19th July, 2018 at New Delhi. As on 31st August, 2018, a total of 35 individuals have been registered by the Board as Registered Valuers (RVs).