

Insolvency and Bankruptcy Board of India

PRESS RELEASE

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Insolvency and Bankruptcy Board of India marks the 5th Anniversary of enactment of Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Board of India (IBBI) marked the 5th Anniversary of enactment of Insolvency and Bankruptcy Code, 2016 (Code/IBC) in a virtual (online) event today. Mr. Rajesh Verma, Secretary, Ministry of Corporate Affairs (MCA), graced the occasion as the Chief Guest. In his address, he elaborated several measures taken by the Government to ameliorate the pains of the stakeholders in the aftermath of the COVID-19 pandemic in the insolvency and bankruptcy area. He said recent ordinance introducing prepackaged insolvency process was one such step required to save businesses from being closed prematurely. He highlighted the achievements of the Code and deliberated upon the road ahead in terms of ongoing work relating to group insolvency, cross-border insolvency, individual insolvency, strengthening of Information Utility etc. Mr. Verma stressed that the Code is a law that belongs to the economy. The journey of IBC has just started; consolidation and consequent achievement in a short span of 5 years is pointer towards the challenges ahead, which the IBBI as regulator along with MCA have to deal with as the regime matures with time. There is need for greater consultation and engagement with stakeholders such as banks, financial institutions, and other regulators to ensure the best use of the provisions of the Code so that that it can meet the aspirations of all the stakeholders.

2. In his address, Dr. M. S. Sahoo, Chairperson, IBBI, thanked all stakeholders who joined the journey of IBC's ecosystem and ensured that it was operationalized in shortest time, unprecedented in the history of any economic legislation in the country and that of that of any insolvency regime around the world. He highlighted that the implementation of a law of such significance threw up several challenges. All concerned took the challenges head on and resolved them expeditiously. He appreciated the role of the Adjudicating Authority, the Appellate Authority, High Courts, and the Supreme Court for delivering numerous landmark orders to explain several conceptual issues and settle contentious issues and resolve grey areas, with alacrity. He said the Code has effectively passed constitutional muster. There is no law where the outcome has been so remarkable within such short span of its enactment, he observed.

4. Dr. (Ms.) Mukulita Vijayawargiya, Whole Time Member, IBBI in her welcome address highlighted the deliberations made by Bankruptcy Law Reforms Committee regarding design principles of the Code and praised the financial, institutional and behavioral achievements of the Code.

5. The virtual event witnessed presence of IBBI and MCA officials.
