

Insolvency and Bankruptcy Board of India

PRESS RELEASE

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23rd July, 2019

The IBBI amends (i) the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, and (ii) the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

The Insolvency and Bankruptcy Board India (IBBI) notified the following regulations today: (i) the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2019, and (ii) the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2019.

2. The salient amendments effected by the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2019 are:

(a) An insolvency professional shall not accept or undertake any assignment as interim resolution professional, resolution professional, liquidator, bankruptcy trustee, authorised representative or in any other role under the Insolvency and bankruptcy Code, 2016 unless he holds an 'Authorisation for Assignment' issued by his Insolvency Professional Agency. This is effective from 1st January, 2020.

(b) An insolvency professional shall not engage in any employment when he holds an Authorisation for Assignment or when he is undertaking an assignment. This would enable an individual to seek registration as an insolvency professional even when he is in employment. He must, however, discontinue employment when he wishes to have an Authorisation for Assignment. He may surrender Authorisation for Assignment when he wishes to take up employment.

(c) Where an insolvency professional has conducted a corporate insolvency resolution process, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment, with, or render professional services, other than services under the Code to a creditor having more than ten percent voting power, the successful resolution applicant, the corporate debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process.

(d) An insolvency professional shall not engage or appoint any of his relatives or related parties, for or in connection with any work relating to any of his assignment.

3. The salient amendments effected by the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2019 are:

(a) An Insolvency Professional Agency shall issue/renew an Authorisation for Assignment to insolvency professionals in accordance with its Bye-laws.

(b) Subject to meeting other requirements, an insolvency professional shall be eligible to obtain an Authorisation of Assignment if he has not attained the age of seventy years.

(c) Subject to meeting other requirements, an individual may serve as an independent director on the Governing Board of an Insolvency Professional Agency up to the age of seventy-five years.

4. These amendment regulations are effective from 23rd July, 2019. These are available at www.mca.gov.in and www.ibbi.gov.in.