

Insolvency and Bankruptcy Board of India

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Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations)

1. The Insolvency and Bankruptcy Board of India (IBBI/Board) has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025 (**Amendment Regulations**) on 4th July 2025. The amendments, which come into immediate effect, aim to strengthen transparency, accountability, and the treatment of avoidance transactions in the corporate insolvency resolution process.

2. Key highlights of the Amendment Regulations are as follows:

(i) **Enhanced disclosure in IM** – The Resolution Professional (RP) shall mandatorily include in the Information Memorandum (IM) details of all identified avoidance transactions or fraudulent or wrongful trading. Further, the RP is required to keep the IM updated and provide the same to the committee of creditors (CoC) periodically.

(ii) **Treatment of disclosed transactions in Resolution Plan:** - The resolution plan shall not provide for assignment of any avoidance transactions or fraudulent or wrongful trading unless it was: (a) disclosed in the information memorandum; and (b) intimated to all prospective resolution applicants under sub-regulation (3A) of regulation 35A before the last date for submission of resolution plans.

3. These amendments aim to facilitate informed decision-making by the CoC as well as the resolution applicants, leading to better price discovery and maximization of value for the assets of the corporate debtor.

4. The amended regulations are available at the Board's website: www.ibbi.gov.in.
