

Insolvency and Bankruptcy Board of India

No. IBBI/PR/2024/08
14th February, 2024

Press Release

Expert Committee constituted by IBBI submits its Report on Framework for Use of Mediation under the Insolvency and Bankruptcy Code, 2016

The Expert Committee, constituted by the Insolvency and Bankruptcy Board of India (IBBI), to examine the scope of use of mediation in respect of processes under the Insolvency and Bankruptcy Code, 2016 (Code/ IBC) submitted its Report on 31st January 2024. The Report was handed over by Dr. T. K. Viswanathan, Chairperson of the Expert Committee to Mr. Ravi Mital, Chairperson, IBBI at IBBI office in New Delhi. Members of the Expert Committee Mr. Sudhaker Shukla, Mr. Sumant Batra and Mr. Santosh Kumar Shukla were also present during the handover.



The Expert Committee in its Report has made recommendations on the likely framework for the introduction of mediation as a complementary mechanism for resolution of disputes around the processes under the Code. The mediation framework under the Code, as recommended by the Committee, would best operate as a self-contained blueprint within the Code, with independent infrastructure to ensure that the objectives of the Code are met without compromising or diluting the basic structure of the Code in terms of timelines, public rights, etc. In consonance with the Mediation Act, 2023, the Committee has recommended a voluntary mediation framework under the Code.

The Committee has taken a cautious approach and endeavoured to balance the fundamental objectives of the Code, i.e., “time-bound reorganization” and “maximization of value”, with autonomy to parties to voluntarily opt for the ‘out-of-court’ mediation process to enhance the efficiency of the insolvency resolution process. The Committee has recommended a phased

introduction of voluntary mediation as a dispute resolution mechanism under the Code while maintaining the sanctity of the timelines for various existing insolvency resolution processes. The core essence of the framework is its independence and flexibility to provide room for quick incorporation of implementational learning.
