

Insolvency and Bankruptcy Board of India

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Press Release

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) (Amendment) Regulations, 2025 (Amendment Regulations) on 3rd February, 2025. The amendments, which come into immediate effect, seek to further streamline the corporate insolvency resolution process with a special focus on real estate projects.
2. Key highlights of the Amendment Regulations are as follows:
 - i. **Handing Over Possession:** The Resolution Professional, after obtaining approval of the committee of creditors and upon fulfilment of all obligations by the homebuyer, can now hand over possession of plots, apartments, or buildings to the homebuyers while the resolution process is still ongoing. Thus, the distressed homebuyers would not have to wait for long periods in order to get possession of their properties.
 - ii. **Appointment of Facilitators:** Facilitators can now be appointed for sub-classes within large creditor classes such as homebuyers to ensure their effective participation in the insolvency resolution process. The roles and responsibilities of the facilitators include facilitating communication between the authorised representative and the creditors assigned to him and providing information and clarifications to the creditors about the insolvency resolution process.
 - iii. **Participation of Competent Authority in Real Estate Projects:** Committee of Creditors (CoC) can now invite relevant land authorities such as NOIDA, HUDA etc to their meetings for inputs and perspectives on regulatory and land development related matters. Participation of land authorities would not only enhance the viability and feasibility of resolution plans but also build confidence among homebuyers and other stakeholders in the resolution process
 - iv. **Report on Real Estate Development Rights and Permissions:** Resolution Professionals must now prepare a detailed report on the status of development rights, approvals, and permissions for real estate projects within 60 days of insolvency commencement. This will provide clarity on project viability thereby helping creditors make informed decisions in a timely manner.
 - v. **Relaxations for Real Estate Allottees:** Committee of creditors have now been empowered to relax certain conditions for associations or group of homebuyers to participate as resolution applicants in the insolvency resolution process. These include relaxations in eligibility criteria, performance security and deposits for submitting resolution plans

- vi. **Monitoring Committee for Implementation of Resolution Plan:** Committee of creditors (CoCs) must now consider forming a monitoring committee to monitor and supervise the implementation of resolution plan. The committee, which may comprise of the Resolution Professional and representatives of creditors and the successful resolution applicant, must submit quarterly progress reports to the Adjudicating Authority. The proposal aims to enforce accountability and ensure timely execution of approved plans.
 - vii. **MSME Registration Status:** The Resolution Professional is now required to disclose the corporate debtor's registration status as a micro, small, or medium enterprise. This will encourage greater participation of potential resolution applicants as they can avail benefits and relaxations available for MSMEs under the Code.
3. The amended regulations are available at the Board's website: www.ibbi.gov.in.
