

Insolvency and Bankruptcy Board of India
Frequently Asked Questions-Insolvency Professionals

1. Who is an insolvency professional (IP)?

Ans. As per the Insolvency and Bankruptcy Code, 2016 (the Code), an insolvency professional (IP) means an eligible person:

- a. enrolled with an insolvency professional agency (IPA) as its member and,
- b. registered with Insolvency and Bankruptcy Board of India (IBBI/the Board) as an insolvency professional (IP).

2. What is the Eligibility Criteria for becoming an insolvency professional (IP)?

Ans. An individual is eligible to become an insolvency professional (IP) provided he/she:

- a. is a person resident in India,
- b. is not a minor,
- c. is solvent (i.e., he / she is not an undischarged insolvent or he / she has not applied to be adjudicated as an insolvent)
- d. is of sound mind,
- e. has the qualification and experience as specified by the Board,
- f. has not been convicted by any competent court, for an offence punishable with imprisonment for a term exceeding six months, or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence.
- g. is a fit and proper person.

3. What is the process to become an IP?

Ans. Following are the (*mandatory*) stages to be followed to become an IP:

A. For Professionals (Chartered Accountant, Company Secretary, Cost Accountant or an Advocate) having 10 years of experience, or graduates having 10 years of experience in the field of law or Masters' Degree holders/Post-Graduate Diploma holders, in management, having 10 years of managerial experience or graduates having 15 years of managerial experience:

Stage 1: Pass the limited insolvency examination (LIE)

Stage-2: Enrol as a professional member with an insolvency professional agency (IPA), within a period of 12 months of clearing the LIE

Stage-3: Complete a pre-registration educational course (PREC) conducted by the IPA.

Stage-4: Apply to the Board for registration as an 'insolvency professional' (IP)

B. For Young Professionals, having less than 10 years of experience or no experience:

Stage 1: Complete the Graduate Insolvency Programme (GIP)

Stage 2: Pass the limited insolvency examination

Stage-3: Enroll as a professional member with an insolvency professional agency (IPA), within a period of 12 months of clearing the Limited Insolvency Examination

Stage-4: Complete a pre-registration educational course by the IPA.

Stage-5: Apply to the Board for registration as an 'insolvency professional' (IP)

C. The National Insolvency Programme will be notified by the Board in due time.

Note: Only professional and managerial experience of an individual shall be considered for becoming an IP.

4. What parameters are considered for an individual to be fit and proper for registration as an IP.

Ans. For determining whether an individual is fit and proper for registration as an IP, the Board may take into account any consideration as it deems fit, including but not limited to the following criteria;

- (i) integrity, reputation and character,
- (ii) absence of convictions and restraint orders, and
- (iii) competence, including financial solvency and net worth

5. Can a non-individual viz. body corporate, partnership firm etc. become an IP?

Ans. No. Only individuals are eligible to become an IP subject to other terms and conditions, as may be applicable.

6. Is the limited insolvency examination and pre-registration educational course mandatory?

Ans. Yes, in terms of applicable regulations made under the Code, passing of the LIE and completion of PREC is mandatory for becoming an IP.

7. Where can I get more information (viz. syllabus, frequency of examination, etc.) about the LIE?

Ans. The syllabus, format, qualifying marks, and the frequency of the Limited Insolvency Examination are published on the website of the Board. For more information, please visit <https://www.ibbi.gov.in/examination/limited-insolvency-examination>

8. Can, an individual who is not a resident of India, render services as an IP?

Ans. No. An individual who is not a resident of India cannot render services as an IP. However, he/she may become a partner or director of an Insolvency Professional Entity (IPE) recognised by the Board.

9. Who is an Insolvency Professional Entity (IPE)?

Ans. The Board has institutionalized the concept of an Insolvency Professional Entity (IPE) whereby several IPs can come together and pool their resources and capabilities to form an IPE so as to handle insolvency proceedings involving very high stakes or where complex issues of law or practical difficulties are involved. In terms of applicable regulations, the sole objective of IPE would be to provide support services to IPs. An IPE can take the form of a company, a limited liability partnership or a registered partnership firm having minimum net worth of ₹1 crore. However, IPEs are neither enrolled as member of an IPA nor registered as IP with the Board. They cannot act as IPs under the Code but can provide support services to IPs.

10. Whether net worth represented in the form of intangible asset is considered as acceptable by the Board?

Ans. No. Minimum net worth of ₹1 crore should be computed in the manner, as stated in the extant regulations.

11. How the net worth is computed in case of an IPE?

Ans. In case of a company, net worth is to be computed as per the definition provided under section 2(57) of the Companies Act, 2013.

In case of a registered partnership firm or limited liability partnership, the net worth is computed as sum of partners' contribution in the capital account and their undistributed profits net of accumulated losses, if any.

12. What is an Insolvency Professional Agency (IPA)?

Ans. IPA is frontline regulator that enroll and regulate the members practising as an IP in accordance with the Code read with rules and regulations made thereunder. IPA is also responsible for capacity building of IPs to ensure that the IPs remain updated with the knowledge and market requirement.

13. Is enrolment with IPA mandatory?

Ans. Yes. An individual seeking registration as an IP with the Board, must be enrolled as 'professional member' of an IPA.

14. How one can enroll himself as a professional member with an IPA?

Ans. At present the following agencies are registered as an IPA with the Board and you may approach any one of the following IPAs for enrolment.

- a. Indian Institute of Insolvency Professionals of ICAI [IIP-ICAI]
(For more information, click on: www.iipicai.in)
- a. ICSI Institute of Insolvency Professionals [ICSI-IIP]
(For more information, click on: www.icsiip.in)
- b. Insolvency Professional Agency of Institute of Cost Accountants of India [IPA-ICAI]
(For more information, click on: www.ipaicmai.in)

15. In case of being an Advocate by Profession and meeting the eligibility criteria for becoming an IP, which IPA should I approach for enrolment?

Ans. There is no restriction on an individual (professional/ non-professional) for selection of any particular IPA for enrolment. As such, you may approach any one of the above-mentioned IPAs for enrolment, after clearing LIE.

16. In case of being a Diploma Holder with more than 10 years of managerial experience and have recently cleared LIE, can I get registration as an IP?

Ans. Diploma Holder is not eligible for enrolment with IPA and registration as an IP with the Board unless it is two-year full time Post Graduate Diploma in Management, from a university established or recognised by law or an Institute approved by All India Council of Technical Education (AICTE).

17. In case an individual has nine years of experience, in management and six years of experience as Professional (Chartered Accountant, Company Secretary, Cost Accountant or an Advocate), whether he shall be considered as having required fifteen years of experience, in management, for becoming an IP.

Ans. Yes. There shall be included an experience of any period as professional (Chartered Accountant, Company Secretary, Cost Accountant or an Advocate), for computing such required fifteen years of experience, in management, for becoming an IP.

18. In case an individual has five years of experience, in the field of law/ in management, after receiving a Masters' degree in Management/ two-year full time Post Graduate Diploma in Management, and five years of experience, as an Advocate, whether he shall be considered as having required ten years of experience, for becoming an IP.

Ans. Yes. There shall be included an experience of any period as professional (Chartered Accountant, Company Secretary, Cost Accountant or an Advocate), for computing such required ten years of experience, for becoming an IP.

19. In case an individual has six years of experience, as Chartered Accountant and four years of experience as Cost Accountant, whether he shall be considered as having required ten years of professional experience, for becoming an IP.

Ans. Yes. The total professional experience of 10 years shall include experience of any period as Chartered Accountant, Company Secretary, Cost Accountant or an Advocate.

20. What is Pre-Registration Educational Course (PREC)?

Ans. The Pre-Registration Educational Course is a 50-hour Course conducted by expert faculty who share their domain knowledge and varied experience. The Course is aimed at enhancing the knowledge base, sharpen the management skills with efficiency in advocacy, code of conduct and handling insolvency effectively. Completion of PREC by an applicant, however, does not guarantee the registration as IP with the Board and the registration shall be subject to fulfilment of other terms and conditions as applicable.

21. Where more information (viz. details of course, fees, schedule, location, etc.) about the Pre-Registration Educational Course (PREC) is available?

Ans. Presently, all the three IPAs viz. IIIP-ICAI, ICSI-IIP and IPA-ICAI, are jointly conducting the PREC. You may contact any one of the IPA for the same.

22. What is Graduate Insolvency Programme (GIP)?

Ans. The Graduate Insolvency Programme (GIP) is the first of its kind programme for those aspiring to take up the discipline of insolvency profession as a career or seeking to take up other roles in the value chain, in India and in foreign jurisdictions. A student who completes the GIP will be eligible for registration as an IP under the Code, without having to wait to acquire the 10-year experience as required by the Code at present.

23. Where from more information (viz. details of course, fees, schedule, location, etc.) about the Graduate Insolvency Programme (GIP) can be obtained?

Ans. The Board has approved the Graduate Insolvency Programme (GIP) being offered by the Indian Institute of Corporate Affairs (IICA). For more information, you may visit <https://iica.nic.in/gip/>.

IBBI has granted approval to one more institute i.e., the National Law Institute University (NLIU), Bhopal to conduct the GIP. Classes are likely to commence from July 1, 2022 onwards at NLIU, Bhopal.

24. Is there any upper age limit for seeking registration with the Board as an IP?

Ans. No, there is no such upper age limit for seeking registration. However, age restrictions are applicable for practicing as an IP.

25. How can one commence practice as an IP, after obtaining registration?

Ans. In order to practice as an IP (i.e., for accepting assignments under the Code), after obtaining registration, one must hold 'Authorisation for Assignment' (AFA) issued by IPA.

26. What is 'Authorisation for Assignment'?

Ans. As per regulations, IP can accept or undertake any assignment as interim resolution professional, resolution professional, liquidator, bankruptcy trustee, authorised representative or in any other role under the Code, only if he holds an AFA. Thus, an AFA means an authorisation to undertake an assignment, (under the Code) issued by an IPA to an IP, who is its professional member.

27. How can one obtain, 'Authorisation for Assignment'?

Ans. AFA is issued to the IP by IPA of which IP is a professional member.

IBBI has made available an online facility to enable an IP to make an application for issuance / renewal of AFA to the respective IPA and enable the IPA to process such applications electronically.

If you are an IP, you can apply online to your IPA, for obtaining AFA by accessing your online IP account at <https://www.ibbi.gov.in/users/login> with your log in credentials.

28. Is there any validity period associated with 'Authorisation for Assignment'?

Ans. An AFA issued or renewed by the IPA is valid for a period of one year from the date of its issuance or renewal, as the case may be, or till the date on which the professional member attains the age of seventy years, whichever is earlier.

29. What is online IP account?

Ans. Upon submitting your application (for seeking registration as an IP) through online mode, the Board creates your online account. You may access your online account by using the same log in credentials (user ID and password) which you have used for submitting your application to IBBI online.

Upon becoming an IP, this online account enables you to submit to the Board various compliances as well as apply for empanelment process/ AFA issuance or renewal, CIRP Forms, etc.

30. Whom should one approach for any query related to the online IP account?

Ans. For accessing your online account visit <https://www.ibbi.gov.in/users/login>. You are requested to log in to your account immediately and change the password. You can also use the 'Forgot Password'/ 'Forgot User Id' option, if required.

In case of issues, if any, in log in to your online account, please write to the Board at ipreg@ibbi.gov.in.

31. Is there any age-restrictions for obtaining an AFA?

Ans. Yes, AFA shall be issued only to an IP, who has not attained the age of seventy years. However, an IP who has attained the age of seventy years can still hold registration and contribute to the overall ecosystem under the Code, by becoming director/partner/employee of an IPE.

32. Can one obtain registration as an IP, while in employment?

Ans. Yes. However, you cannot commence practice as an IP unless you hold the AFA. You have to discontinue employment so as to obtain AFA and practice as an IP.

You may surrender your AFA, if you wish to take up employment again.

33. Is there any standard format for an application for registration with the Board as an IP?

Ans. Yes. An application for registration with the Board must be made in Form A of Second Schedule of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016. The application should be submitted online on the link provided on the Board's website i.e., <https://www.ibbi.gov.in/ips-register/pre-registration>. The Step-by-Step guide for online submission of application for registration is also available at the link which you can download for your ready reference.

34. What is the quantum of fee payable to the Board, along with the application for registration?

Ans. Application fee is Rs.10,000/- (Non-refundable) plus applicable taxes (at present Rs. 1,800 @ 18%). However, the fee is subject to revision from time to time.

35. What are the modes for payment of registration fee?

Ans. While filling-up the e-form for seeking registration as an IP, the fee is to be paid online through debit/ credit card/ net banking.

36. Is this a one-time fee? If No, at what intervals the renewal fee is to be paid to the Board?

Ans. Application fee is one time. However, an IP registered with the Board should pay a fee of Rs.10,000/- plus applicable taxes to the Board, on every five years (from the year in which the certificate is granted) for continuation of registration by the Board.

Illustration

Where registration is granted on 2nd February, 2018 in the year 2017-18, the fee shall become due on 1st April, 2023, after five years (2018-19, 2019-20, 2020-21, 2021-22 and 2022-23) and it shall be paid on or before the 30th April, 2023.

37. Within how many days of submission of application, the Board grants IP registration to the applicant?

Ans. Subject to the fulfilment of terms and conditions, the Board may grant registration to the applicant **within sixty days** of receipt of the application excluding time given by the Board for presenting additional documents, information or clarification, or appearing in person, as the case may be.

Applicant may view the status of his application by log in to his account.

38. On having assigned AFA, whether one is free to discharge other professional duties?

Ans. Yes. AFA means an authorisation to undertake an assignment, under the Code and as such it does not prohibit an IP to pursue his other professions/discharge other professional duties, provided he adheres to the Code of Conduct applicable to IPs or other process related regulations.

39. Whether any membership card, identity card, registration certificate etc. is issued by the Board upon registration as an IP?

Ans. An eligible applicant, upon registration would receive a **certificate of registration and a letter** from the Board, to carry on the activities of an IP. Physical copy of the same shall be dispatched within 21 days of grant of registration, to individual registered with the Board through his IPA. However, no membership card / identity card etc. shall be issued by the Board other than the certificate of registration and letter.

40. Is there any database of IPs registered with the Board, How can I verify whether my name is appearing in the said database?

Ans. Yes. The database of all IPs registered with the Board (including particulars viz. name, registration number, address, e-mail ID, IPA of which he is professional member, date of registration and the date of validity of AFA) is available on website of the Board.

Please click on <https://www.ibbi.gov.in/ips-register/view-ip/1> and check for your name in the searcher.

41. Is the Panel of IPs prepared by the Board different from the database of IPs available on IBBI website?

Ans. Yes. The Board prepares Panel of IPs for facilitating Adjudicating Authority (Hon'ble NCLTs/ Hon'ble DRTs) to engage an IP for the specific purposes of acting as an IRP in a CIRP under section 16(4), liquidator in a liquidation process under section 34(6), RP in an individual insolvency resolution process under section 97(4) or 98(3), or bankruptcy trustee (BT) under section 125(4), 146(3) or 147(3) of the Code.

The panel is thus prepared by the Board for facilitating expeditious appointments of IPs as IRP, Liquidator, RP and Bankruptcy Trustee, as the case may be under the said specific provisions of the Code. Panel is not intended for any other process under the Code.

42. Are there any conditions to continue registration with the Board?

Ans. Yes, subject to other terms and conditions as applicable, an IP shall also:

- a. continue to satisfy the eligibility criteria,
- b. undergo continuing professional education, as may be required by the Board,
- c. pay renewal fees to the Board, every five years
- d. file annual statement (Form E)
- e. abide by such other terms and conditions, as may be specified vide IP Regulations.

43. Can one shift his/her professional membership from one insolvency professional agency to another insolvency professional agency?

Ans. Yes. An IP can shift professional membership from one insolvency professional agency to another, subject to prior permission of the Board, after receiving no objection from both the concerned insolvency professional agencies.

44. Where can one get more information on the eligibility for becoming an insolvency professional?

Ans. Please refer to Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 available at <http://www.ibbi.gov.in/legal-framework/updated>.

45. Where to contact if one needs some clarification regarding registration as an IP?

Ans. You may contact your IPA or mail to us at ipreg@ibbi.gov.in

46. Can one give more than one correspondence address, one mail ID & one mobile number in the application form?

Ans. No. Only one correspondence address, one mail ID and one mobile number shall be furnished. All correspondence will be made by the Board on this address/ mail ID/ mobile number only.
