

From Chairperson's Desk

The Stakeholder Consultation Process and Review of Regulations

Effective regulation in a dynamic financial and corporate environment requires not only technical proficiency but also structured engagement with stakeholders. The Insolvency and Bankruptcy Board of India (IBBI), entrusted with the implementation of the Insolvency and Bankruptcy Code (IBC), has institutionalised stakeholder consultation as a cornerstone of its regulatory framework. This approach ensures that every regulatory intervention is informed by practical insights, remains responsive to market realities, and aligns with the broader objectives of the insolvency regime.

Periodic review of Regulations

IBBI follows a dual-review mechanism of its regulations, as under - (a) General annual review of Regulations after inviting public comments. (b) Review of regulations every three years based on set criteria including intended objectives and outcomes achieved. These reviews consider the achievement of objectives, implementation experience, enforcement challenges, and changing market conditions. This regular review process, combined with ongoing stakeholder feedback, helps ensure that the regulatory framework remains relevant and effective. In the latest review of regulations done in 2023-2024, IBBI has received 190 comments from various stakeholders, which have been processed. During the year 2024-25, the IBBI received 128 public comments from a wide range of stakeholders including academics, insolvency professionals, creditor institutions, IBA and others which are being processed.

Regulation making framework

Since 2018, the IBBI has formalised its regulation-making framework through the *IBBI (Mechanism for Issuing Regulations) Regulations, 2018*. These regulations prescribe a systematic and transparent process for drafting and issuing subordinate legislation. The three substantive aspects of this mechanism for issuing regulations are:

- A public consultation will be held before making every regulation (except urgent regulations), including amendments to existing regulations. The Regulations, 2018 specify the information that will be published before the consultation and at the time of the issuance of the regulation.
- The IBBI will conduct and publish an economic analysis of the proposed regulation.
- Regulations in effect will be reviewed every three years to evaluate if they need to be repealed or amended. This review will be conducted concerning their objectives, outcomes and international best practices on the subject.

Extensive public consultation process

The public consultation process forms the foundation of IBBI's regulatory interventions. The Board releases *discussion papers* with proposed regulatory interventions on its website for public comments, allowing a minimum of 21-days' consultation period. Between 2016-17 and 2024-25, the Board issued *nearly ninety* discussion papers. The discussion papers released by the Board set out the draft regulation, the relevant provisions of the Code, the issues addressed, and the proposed implementation framework. Every paper remains open for public comment for a

minimum of twenty-one days, ensuring sufficient opportunity for stakeholder engagement. Further, the Board actively interacts with stakeholders through roundtable discussions, workshops, and collaborations with industry bodies, academic institutions, and professional organisations. The regulatory consultation process is further enriched by inputs from IPAs, which conduct stakeholder consultations and constitute specialized study groups.

This sustained engagement underscores the Board's commitment to inclusive consultation and participatory governance. All comments received, together with the Board's considered responses, are placed before the Governing Board prior to final notification, ensuring that regulatory decisions are both empirically grounded and institutionally legitimate.

IBBI has recently decided to follow the above public consultation process for guidelines, policies, specifications and standards.

Colloquiums

The IBBI has been organising periodic colloquiums on IBC in association with NCLT since November 2022. Key stakeholders, including representatives from the banking sector as well as officials from the Ministry of Corporate Affairs (MCA), Department of Financial Services (DFS), and other relevant institutions, are invited to participate. These periodic colloquiums organised by the IBBI serve as an important platform for constructive dialogue among key stakeholders of the insolvency ecosystem. These interactions bring together judicial members, regulators, bankers, and other market participants to deliberate on practical challenges encountered during the implementation of the Code. The exchange of insights from the ground, ranging from procedural bottlenecks to emerging market practices, helps the IBBI in identifying areas that require regulatory refinement or policy intervention. The discussions and feedback emerging from these forums often provide valuable inputs for framing or amending regulations and, where necessary, pave the way for legislative changes to strengthen the effectiveness and efficiency of the insolvency framework.

Comments on Comments

A distinguishing feature of IBBI's consultation process is its "*comments on comments*" approach, wherein stakeholder feedback is publicly disclosed along with the Board's responses. This unique practice enhances transparency, promotes accountability, and facilitates a deeper appreciation of the rationale underlying regulatory choices.

Conclusion

The IBBI's regulatory philosophy exemplifies a bottom-up approach, where empirical evidence, stakeholder feedback, and practical experience inform policy evolution. In an ever-evolving economic and legal landscape, this stakeholder-centric framework enables regulatory interventions that are pragmatic, evidence-based, and sustainable.

By institutionalising inclusive consultation and continuous review, the IBBI continues to strengthen the integrity of the insolvency ecosystem. It fosters trust, promotes participation, and ensures that the regulation-making process remains transparent, accountable, and aligned with the objectives of the IBC.

Ravi Mital