

Insolvency and Bankruptcy Board of India

**No. IBBI/PR/2023/10
19th September, 2023**

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)

The Insolvency and Bankruptcy Board of India (IBBI/ Board) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2023 (Amendment Regulations) on 18th September, 2023.

2. To facilitate smooth conduct of corporate insolvency resolution process (CIRP), the amendment regulations add a provision regarding the assistance and cooperation expected from the personnel of the corporate debtor (CD) by providing a detailed procedure for taking custody and control of assets and records of the CD by the resolution professional (RP).
3. To facilitate the Adjudicating Authority (AA) burdened with applications for acceptance of delayed claims, the Amendment Regulations increase the timelines to file claims up to the date of issue of request for resolution plans under regulation 36B or ninety days from the insolvency commencement date, whichever is later. It further empowers the RP to give his view on the acceptance of claim for its collation even for claims submitted beyond this time and committee of creditors (CoC) to recommend their acceptance for inclusion in the list of claims and its treatment in the resolution plan before the same is adjudicated or condoned by the AA.
4. To facilitate the class of creditors specially home buyers, the amendments provide enhanced role and responsibilities of the authorised representative (AR). Some of the important duties of the AR are (i) to review the contents of minutes prepared by the RP to ensure correctness and completeness, (ii) to provide assistance to the creditors in evaluating resolution plan, (iii) to regularly update the creditors in a class on the progress of the CIRP, (iv) to assist in modifications of the resolution plan on behalf of class of creditors represented by him, etc. Fees of the AR have also been enhanced in line with the increased role. A procedure for replacement of AR has also been introduced.
5. To make the resolution process more transparent and robust, the amendment enables committee members to get an audit of the CD conducted and makes cost of such audit to be part of CIRP cost.
6. The amendment aligns the timelines concerning various procedural aspects like issuance of information memorandum and request for resolution plans.
7. To improve the value received in the resolution plan, the amendment provides changes to Form G to provide more information to prospective resolution applicants with less effort on their part.
8. The amendment provides for inclusion in compliance certificate (Form H), the minutes of committee of creditors in which resolution plan is approved to enable the AA to understand the rationale of the decision of the CoC in a better manner.

9. In case of assignment of debt by a creditor to another person, the details of such assignment are required to be provided to the RP. The amendment, now, specifies a timeline of seven days to provide such details to enable smooth conduct of meeting of CoC.

10. The Amendment Regulations specify for submitting details of chronology of debt, default, and limitation along with evidence in case of application filed u/s 7 or 9 so that the AA is facilitated in adjudicating such cases.

11. The amended regulations are effective from 18th September, 2023. These are available at www.ibbi.gov.in.
