

## **Insolvency and Bankruptcy Board of India**

No. IBBI/PR/2021/17

6<sup>th</sup> August, 2021

### **Insolvency and Bankruptcy Board of India signs a Memorandum of Understanding with National Stock Exchange of India for research collaboration**

The Insolvency and Bankruptcy Board of India (IBBI) and National Stock Exchange of India Limited (NSE) signed a Memorandum of Understanding (MoU) today for a research collaboration. The objective of the collaboration is to create a rich research ecosystem in the area of insolvency and bankruptcy in India.

An efficient insolvency and bankruptcy resolution system enables timely resolution of financial stress, balances interests of all stakeholders, promotes entrepreneurship and increases availability of credit at optimal costs. This, in turn, improves growth prospects and builds institutional strength in an economy. IBBI is a unique regulator, which regulates insolvency professionals as well as insolvency processes. Under this collaboration, NSE and IBBI will focus on enhancing the existing research efforts in the areas related to insolvency and bankruptcy in India, promoting studies that explore interlinkages between the development of the insolvency process, financial markets and economy, analyzing effectiveness of insolvency laws and practices across the world and fostering evidence-based policy recommendations to strengthen the insolvency framework in India.

Speaking on the occasion, Shri Sudhaker Shukla Whole-time Member, IBBI, mentioned: “Evidentiary or research-based foundations for policy making, devoid of discretion, fosters transparency and help in bringing complete harmony between policy initiatives and market expectations. The IBBI attaches the utmost importance to efficiency and transparency in insolvency processes and decision making based on data and analytics. In an evolving area such as insolvency and bankruptcy, there is a dire need to promote credible research on the best practices and outcomes. To this effect IBBI has collated a dynamic data set relating to processes and outcomes under the IBC and encouraged evidence-based research in the insolvency space. To further this research, our endeavor is to explore new avenues and possibilities in the sphere of research collaboration. In this context, the partnership between IBBI and NSE will go a long way in plugging the research void in such an important area of distressed assets and its resolution. The synergy between IBBI and NSE will harness the research potential of both the organisations, aiding and improving evidence based policy discourse in the country.”

Shri Vikram Limaye, MD & CEO, NSE said: “NSE has always been at the forefront in encouraging research in relevant and emerging issues that are important for effective policy making and promote development of markets. Insolvency and bankruptcy laws play an important role in an economy as they enable efficient and orderly allocation of productive resources and provide an effective resolution mechanism for debtors and creditors. We are happy to collaborate with IBBI for developing an extensive research framework in the field of insolvency and bankruptcy in India.”

**About National Stock Exchange of India Limited (NSE):**

National Stock Exchange of India (NSE) is the world's largest derivatives exchange by trading volume (contracts) as per the statistics maintained by Futures Industry Association (FIA) for calendar year 2020. NSE is ranked 4th in the world in the cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for calendar year 2020. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading, clearing members and listed companies with the rules and regulations of SEBI and the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology.

**About Insolvency and Bankruptcy Board of India (IBBI):**

The Insolvency and Bankruptcy Board of India was established on October 1st, 2016 under the Insolvency and Bankruptcy Code, 2016 (Code). It is a key pillar of the ecosystem responsible for implementation of the Code that consolidates and amends the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of the value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders. It has regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies, Insolvency Professional Entities and Information Utilities. It writes and enforces rules for processes, namely, corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy under the Code.

\*\*\*