

**Insolvency and Bankruptcy Board of India  
Press Release**

No. IBBI/PR/2018/31  
11<sup>th</sup> October, 2018

**IBBI amends (a) the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016, (b) the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, and (c) the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017**

The Insolvency and Bankruptcy Board of India (IBBI) has notified the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) (Amendment) Regulations, 2018, the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2018 and the Insolvency and Bankruptcy Board of India (Information Utilities) (Second Amendment) Regulations, 2018 today.

2. The Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) (Amendment) Regulations, 2018 provide that no person shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent of the paid-up equity share capital in an insolvency professional agency (IPA). However, certain entities, namely, a stock exchange, depository, banking company, insurance company, public financial institution and multilateral financial institution may, acquire or hold, directly or indirectly, either individually or together with persons acting in concert, up to fifteen per cent of the paid-up equity share capital of an IPA. Further, the Central Government, a State Government and statutory regulator may acquire or hold, directly or indirectly, up to one hundred percent of paid-up equity share capital of an IPA. The IPA, its promoters, its directors and its shareholders need to be fit and proper persons.

3. The Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2018 provide for composition of the Governing Board of an IPA and its managing director as under:

a. The Governing Board of an IPA shall consist of managing director, independent directors and shareholder directors. The managing director shall not be considered either as an independent director or shareholder director. An individual may serve as an independent director for a maximum of two terms of three years each or part thereof, or up to the age of seventy years, whichever is earlier.

b. An IPA shall, subject to the guidelines issued by the IBBI from time to time, determine the qualification and experience, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection and appointment of the managing director. The appointment, renewal of appointment and termination of service of the managing director shall be subject to prior approval of the IBBI. The managing director shall be an *ex-officio* member of Membership Committee, Monitoring Committee, Grievance Redressal Committee and Disciplinary Committee.

4. The Insolvency and Bankruptcy Board of India (Information Utilities) (Second Amendment) Regulations, 2018 have made similar provisions, as narrated in Para 3 above, in respect of an information utility (IU).

5. An IPA and an IU registered with the IBBI, as on date of the commencement of the amendment regulations, shall comply with the regulations, within one year.

6. The amendment Regulations are effective from today. These are available at [www.mca.gov.in](http://www.mca.gov.in) and [www.ibbi.gov.in](http://www.ibbi.gov.in).