

Insolvency and Bankruptcy Board of India

No. IBBI/GIP/INT./01/18

6th December, 2018.

Subject: Invitation of Expression of Interest from Prospective Eligible Institutions for Conducting Graduate Insolvency Programme

The Insolvency and Bankruptcy Board of India invites Expression of Interest (EoI) from prospective eligible institutions for conducting the proposed Graduate Insolvency Programme.

1. BACKGROUND

1.1 The Insolvency and Bankruptcy Board of India (IBBI) is a statutory regulator established under section 188 (1) of the Insolvency and Bankruptcy Code, 2016 (Code) to exercise the powers and perform the functions under section 196 (1) (aa), *inter alia*, to promote the development of, and regulate, the working and practices of, Insolvency Professionals (IPs), in furtherance of the objectives under the Code. The Code envisages IPs as a class of regulated professionals, who constitute one of the four key pillars of the insolvency and bankruptcy regime, other three being the Adjudicating Authority, the Insolvency and Bankruptcy Board of India (IBBI), and the Information Utilities (IUs). The IBBI has specified different categories of professionals possessing various qualifications and experiences in the field of finance, law, management, etc., under the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, to become IPs. An individual is allowed to render services as IP under the Code only if he is enrolled as a member of an insolvency professional agency.

2. Role and Functions of IPs

2.1 An IP plays a central role in resolution, liquidation and bankruptcy processes of companies, LLPs, partnership firms and individuals under the Code. In a Corporate Insolvency Resolution Process (CIRP), an IP is vested with innumerable statutory duties and powers. He exercises the powers of the board of directors of a company under CIRP, manages its operations as a going concern, makes every endeavour to protect and preserve the value of its property and complies with applicable laws on its behalf. He takes important business and financial decisions having substantial bearing on such persons and its stakeholders, negotiates deals, settles claims, resolves conflict of interests, conducts meetings of the committee of creditors, invites and examines resolution plans, reports on irregular transactions and discharges other onerous responsibilities. He conducts the entire insolvency resolution process - he is the fulcrum of the process and the link between the Adjudicating Authority and stakeholders - debtor, creditors - financial as well as operational, and resolution applicants. He assists the Committee of Creditors in taking crucial commercial decisions with respect to resolution of insolvency. The IP is, in fact, the driving force and the nerve-centre in an insolvency proceeding. The IPs are class of specialised professionals drawn from various existing professions such as Chartered Accountants, Cost Accountants, Company Secretaries, Advocates, etc.

2.2 The Bankruptcy Law Reforms Committee, based on their recommendations the Code has been designed, in their report observes: *“This entire insolvency and bankruptcy process is managed by a regulated and licensed professional namely the Insolvency Professional or an IP, appointed by the adjudicator. In an insolvency and bankruptcy resolution process driven by the law there are judicial decisions being taken by the adjudicator. But there are also checks and accounting as well as conduct of due process that are carried out by the IPs. Insolvency professionals form a crucial pillar upon which rests the effective, timely functioning as well as credibility of the entire edifice of the insolvency and bankruptcy resolution process.”*

3. Qualifications and experience of IPs

3.1 Regulation 5 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 provides as under:

“5. Subject to the other provisions of these regulations, an individual shall be eligible for registration, if he –

(a) has passed the Limited Insolvency Examination within twelve months before the date of his application for enrolment with the insolvency professional agency;

(b) has completed a pre-registration educational course, as may be required by the Board, from an insolvency professional agency after his enrolment as a professional member; and

(c) has-

(i) successfully completed the National Insolvency Programme, as may be approved by the Board;

(ii) successfully completed the Graduate Insolvency Programme, as may approved by the Board;

(iii) fifteen years’ of experience in management, after receiving a Bachelor’s degree from a university established or recognised by law; or

(iv) ten years’ of experience as –

(a) chartered accountant registered as a member of the Institute of Chartered Accountants of India,

(b) company secretary registered as a member of the Institute of Company Secretaries of India,

(c) cost accountant registered as a member of the Institute of Cost Accountants of India, or

(d) advocate enrolled with the Bar Council.”

3.2 The IBBI, therefore, proposes to promote a Graduate Insolvency Programme (GIP) so as to enable persons to be eligible to become IPs. Further, IBBI has constituted a Working Group to recommend the structure, content and delivery mechanism for the GIP and it is presently working to achieve the task. The Working Group has tentatively firmed up as under:

4. Tentative recommendations of the Working Group

4.1 To design GIP as an exquisite graduate programme of global standard that aims at producing top-quality IPs who can deliver world-class insolvency and bankruptcy services as resolution professionals, liquidators or in other capacities at a level that surpasses the expectations of the market and the regulator in general and their beneficiaries in particular.

4.2 The proposed programme should be able to help IPs to broaden their horizon of thinking, perspective and outlook so that the graduates of the programme are able to innovate, undertake challenges and that they are able to think creatively and out of the box to enhance efficiency of processes and outcomes for the stakeholders. The course should offer a 360-degree view of the insolvency sector and present an understanding of social, cultural and other dimensions that may have a bearing on insolvency and bankruptcy process. GIP should also offer a ringside view of the insolvency system, including entrepreneurship.

4.3 The content and design of the programme should serve an optimum utility not only for those who want to take up the discipline of insolvency profession as a career but also for those who seek to take up other roles in the value chain, both in Indian and abroad jurisdictions. The graduating students may choose to work as in-house counsels or act as advisors with stakeholders participating or associated with insolvency and liquidation proceedings or in turnaround industry. Some may even elect to become academics or researchers or work in media houses. Wherever they may operate, they should be able to add value for the insolvency system.

4.4 The programme should be positioned and developed as a prestigious one that encourages and attracts the brightest minds. The leading insolvency professional entities, law firms, advisory firms, banks and other institutions, including those located out of India, should compete to hire the students graduating out of the programme. The prospective students should see it as an investment that would bring them returns by way of their placements and rewarding career opportunities. It should be an attractive programme for foreign students as well who wish to find career opportunities in India or other jurisdictions.

4.5 The programme should be able to command acknowledgement and respect on the strength of the innovative, unique and high quality of its structure, content and delivery.

4.6 It should be conducted as a dream programme for those aspiring to be IPs, in and outside India. Its products should be proud flag bearers and ambassadors of the Indian insolvency profession not just within the country but also in foreign jurisdictions.

4.7 The programme should benefit at the macro-level significantly propelling the Indian insolvency regime amongst the most recognised insolvency systems in the world. It should form an important contributing tool in the development of Indian economy in general and insolvency system in particular.

5. Tentative Structure of GIP

5.1 The programme may be delivered in two stages. *Stage-I* to have over 12 months' classroom training and *Stage II* to cover 12 months' internship with an option of foreign jurisdictional exposure for 3 months, covering the development of leadership, skills and virtues and widening of the horizon. The details of duration of GIP would be as follows:

Duration (Months Starting from the First Month)	Training Activity
1-10 (10 months)	Class Room: A 10-month classroom on-campus training module, in line with leading executive MBA programmes. The module may focus on building the core fundamentals for the students in the initial period, including Economics (micro and macroeconomics), Accounting and Finance, Strategy and Operations, Business and Law including Law of Economics and Economics of Law, Human Resource and Turnaround of Operations.
11-16 (6 months)	Internship-I: Six months' internship with experienced IPs as first mentors.
17-22 (6 months)	Internship-II: Six months' internship with experienced IPs as second mentors.
23-25 (3 months)	Foreign Jurisdictional Exposure: A three-months' foreign component, to expose the student to foreign insolvency ecosystems.
26-27 (2 months)	A two-months' re-convene on campus, to revisit the learnings during the classroom phase and real life situations faced during the two internships.

5.2 The detailed course structure and road map to roll out the programme is being designed. The prospective institutions may need to take approval of the course curriculum and structure from the IBBI.

6. Selection of students for GIP

The selection process shall be developed and conducted by the prospective institute and IBBI would only be providing guidance and oversight. However, tentative ideas of selection process which may be improved by the designated institution in consultation with IBBI, are as follows:

	Description
Total Intake	Initial level of about 40 to 45 students. This will enable for development of the programme with adequate supervision and oversight and quality control, and to enable any course correction during the programme. Subsequently, the number of batches / institutes may be increased considering the demand for GIP graduates / students' interest in the programme, etc.
Qualification	The programme may be open to qualified Chartered Accountants, Cost Accountants, Company Secretaries, Law Graduates, Post Graduates in Management, Finance, Accounts, Economics, Commerce who have secured a minimum percentage of marks.
Age Limit	Maximum age limit is 28 years.

Screening Criteria	<p>1. The candidates would be selected after a rigorous selection process comprising:</p> <ol style="list-style-type: none"> a. Written test b. Group discussion, and c. Personal interview <p>2. As ethical integrity is of paramount importance, the focus of the selection process should be on determining ethical integrity of the candidate. A Psychometric test may also be conducted to assist in this evaluation.</p>
Diversity	<p>The selection process should be geared towards maintaining diversity in the batch:</p> <ol style="list-style-type: none"> i. Across gender ii. Additionally, diversity across different backgrounds, different regions of India, and different countries from around the world should be targeted iii. Across different functions / disciplines.

7. Basic Pre-Qualifying Criteria for Selection of prospective Institutions

7.1 Following pre-qualifying criteria is suggested to be considered whilst selecting a prospective institution to designate an institution to deliver the GIP:

- a. The institution must have good quality residential facility to accommodate at least 150 students at a time and quality guest house facilities.
- b. It should have world class education infrastructure facilities like classrooms, hostels library, well qualified faculties etc., to deliver the GIP including high quality pool of resource persons.
- c. It should preferably be multi-disciplinary and have both teaching and research focus of an exceptionally high quality.
- d. The institution should possess a world class library with subscriptions to reputed journals and publications in the areas of its course offerings.
- e. It should possess every amenity for students comparable with that of globally reputed institutions.
- f. The institution should own reasonably large campus with adequate space for expansion.
- g. The institution should have teaching and research collaborations with a reasonable number of global universities figuring in the most reputed global rankings.
- h. It should be financially sound, either self or in terms of recourse to public funding.

8. Fees relating to GIP

8.1 The institutions may decide fee structure for the programme on the basis of its estimation of cost of development and conduct of the programme. However, it may provide scholarships to keep the cost affordable for students at least in initial years. Institutions should be willing to persuade stakeholders to institute scholarships for needy students.

9. Submission of request

9.1 In view of the above, it has been decided to solicit EoI from prospective eligible reputed/recognised institutions to conduct and deliver the GIP as per the guidelines/oversight/approval by IBBI. The interested institutions may submit their proposal expressing their interest to conduct GIP as per the above with supporting documents to fulfil pre-qualifying selection criteria.

9.2 The EoI may be submitted either by post addressed to Dr. Anuradha Guru, Chief General Manager, Insolvency and Bankruptcy Board of India, Jeevan Deep Building – 3, Sansad Marg, New Delhi-110001 or by email at anu_guru@nic.in.

Last Date for Submission of EoI: 31st December, 2018
