

Legal Framework

CIRCULARS

IBBI Launches Revised Forms for the Liquidation Process

Though a Circular dated January 05, 2026, the IBBI has comprehensively revised various Forms for monitoring the liquidation process in line with the amended IBBI (Liquidation Process) Regulations, 2016. According to IBBI, the revised forms have been designed to ensure a reduced compliance burden by eliminating duplications, rationalizing data requirements and leveraging technology for auto-population of information already available on the portal. Consequently, these revisions are expected to significantly reduce the time and effort required for compliance by insolvency professionals (IPs), while continuing to ensure that the Board receives all essential information in a timely manner. “No penalty will be levied on delayed filing of forms, if any, during the initial quarter (January – March 2026),” said the IBBI.

Source: No. IBBI/LIQ/91/2026 dated January 05, 2026.

IBBI Notified Introduction of Modification Utility & Commencement of Levy of Fee for Delayed Filing of Forms under Regulation 40B of the CIRP Regulations

The Insolvency and Bankruptcy Board of India (IBBI) has introduced an electronic platform to enable the modification of Forms submitted under Regulation 40B of the CIRP Regulations, to facilitate the rectification of errors or omissions in such filings. “Where an IP identifies any deficiency in a submitted Form, the IP may use the modification utility on the portal to make the necessary modification, authenticated through the OTP-based process,” said the IBBI Circular dated 18 December 2025. The Circular further clarifies that if an Insolvency Professional (IP) submits a Form before the due date and subsequently modifies it before the



due date, no fee shall be applicable, as the computation of the fee under Regulation 40B (4) will commence only after the last due date of the Form. However, Forms submitted or modified after the due date shall be charged at ₹500 per Form per month. “It is hereby notified that for all Forms that were due on or before 31 December 2025 and are submitted after the said date, whether by correction, updation or otherwise, shall be accompanied by a fee of ₹500 (Rupees five hundred only) (excluding GST) per Form for each calendar month of delay, until the date of submission,” reads the IBBI Circular.

Source: Circular No. IBBI/CIRP/89/2025, dated December 18, 2025

IBBI directs RPs to Strengthen Section 29A Due Diligence

The IBBI has issued a circular directing all Resolution Professionals to strengthen due diligence relating to Section 29A ineligibility during corporate insolvency resolution. The circular reiterates that RPs must verify the eligibility of prospective resolution applicants, ensure required undertakings and affidavits are submitted, and confirm compliance while filing Form H. RPs must also present a detailed Section 29A compliance note to the CoC when evaluating resolution plans and ensure discussions are properly recorded.

Source: Circular No. IBBI/CIRP/88/2025, dated November 18, 2025

NOTIFICATIONS

IBBI Amends Liquidation Regulations to Mandate Electronic Filing of Forms

The IBBI has notified the IBBI (Liquidation Process) (Amendment) Regulations, 2026, The amendment substitutes Regulation 47B (1) to require liquidators to file all prescribed forms, along with relevant enclosures, on the Board’s designated electronic platform. Such filings must be made in accordance with the timelines specified for each form, as notified by the IBBI from time to time. The amendment aims to streamline compliance, enhance transparency, and improve regulatory oversight of liquidation proceedings through digitized reporting mechanisms.

Source: Notification File No. F. No. IBBI/2025-26/GN/REG134 dated January 02, 2026.

IBBI Mandates Disclosure of Beneficial Ownership in Resolution Plans

Through IBBI (CIRP) (Seventh Amendment) Regulations, 2025, dated 22 December 2025, a new sub-regulation (3A) has been inserted under sub-regulation (3) of Regulation 38 of the IBBI (CIRP) Regulations, 2016.

It reads - “every resolution plan shall include: (a) a statement of beneficial ownership, in a format to be notified through circular by the Board, covering details of all natural persons who ultimately owns or controls the resolution applicant, together with the shareholding structure and jurisdiction of each intermediate entity; and (b) an affidavit, in a format specified by the Board, that the resolution applicant is eligible/not eligible for the benefit of section 32A.”

Source: No. IBBI/CIRP/90/2025 dated December 29, 2025.

IBBI Mandates Disclosure of Beneficial Ownership in Resolution Plans

Through IBBI (CIRP) (Seventh Amendment) Regulations, 2025, dated 22 December 2025, a new subregulation (3A) has been inserted under sub-

regulation (3) of Regulation 38 of the IBBI (CIRP) Regulations, 2016. It reads - “every resolution plan shall include: (a) a statement of beneficial ownership, in a format to be notified through circular by the Board, covering details of all natural persons who ultimately owns or controls the resolution applicant, together with the shareholding structure and jurisdiction of each intermediate entity; and (b) an affidavit, in a format specified by the Board, that the resolution applicant is eligible/not eligible for the benefit of section 32A.”

Source: *Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Seventh Amendment) Regulations, 2025, dated December 22, 2025.*

IBBI Removes “Sale as a Going Concern” from CIRP and Liquidation Rules

The Insolvency and Bankruptcy Board of India (IBBI) has officially deleted regulatory provisions allowing a Corporate Debtor or its business to be sold as a going concern under both the CIRP and liquidation frameworks, w.e.f. 14 October 2025. Specifically, Regulation 39C of the CIRP Regulations and Regulation 32A of the Liquidation Process Regulations have been removed. The move aims to streamline liquidation, reduce delays and legal complications, and reinforce liquidation strictly as a terminal realization process rather than a revival mechanism, ensuring faster resolution and greater regulatory clarity for stakeholders.

Source: *Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) Regulations, 2025, dated October 14, 2025; Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025, dated October 14, 2025.*

IBBI Tightens Compliance Rules for Personal Guarantor Insolvency Cases

The IBBI, on 21 November 2025, notified the “IBBI (CIRP) (Second Amendment) Regulations, 2025” relating to insolvency resolution for PGs to CDs. These amendments introduce a mandatory obligation on RPs

to file prescribed electronic forms within specified timelines when handling a guarantor's insolvency case. The IBBI will make all forms available on an online platform and may update them as needed. If a form is filed late, including corrections or updates, the RP must pay a fee of ₹500 per calendar month of delay. Inaccurate, incomplete, or delayed submissions can trigger regulatory actions, including refusal to issue or renew the RP's authorization for assignments.

Source: *Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025, dated November 20, 2025.*

IBBI Caps Number of CIRP/Liquidation cases for IPs

The IBBI has notified the IBBI (IPs) Second Amendment Regulations, 2025, introducing caps on the number of insolvency assignments an individual IP may undertake simultaneously. Under the revised framework, an Insolvency Professional (i.e., not associated with an IPE) may not hold more than ten concurrent assignments in the roles of IRP, RP, or liquidator. Additionally, no more than three of these ongoing assignments may involve claims exceeding ₹1,000 crore. The amendments also revise the Code of Conduct, shifting several approval requirements from the IBBI to the NCLT, thereby streamlining oversight and ensuring greater procedural clarity.

Source: *Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2025, dated November 20, 2025.*

FACILITATION

IBBI Issues New Guidelines for Panel of Insolvency Professionals to Streamline CIRP and Liquidation Appointments

The IBBI has released updated "Insolvency Professionals to act as Interim Resolution Professionals, Resolution Professionals, Liquidators and Bankruptcy Trustees (Second) Guidelines, 2025," effective January 1 to June 30, 2026. The guidelines

set criteria for preparing a panel of registered insolvency professionals (IPs) eligible for appointment by adjudicating authorities in corporate insolvency, liquidation, and personal bankruptcy cases. Eligibility includes absence of disciplinary actions, valid authorisation for assignment, and consent to serve. Expressions of interest must be submitted via Form A, with the final panel shared by IBBI with National Company Law Tribunal and Debt Recovery Tribunal benches, ensuring smoother, timely appointments in insolvency processes.

Source: *Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (Second) Guidelines, 2025, dated November 21, 2025.*

DISCUSSION PAPERS

IBBI Proposes Draft Guidelines to Standardise Valuation Process

The Insolvency and Bankruptcy Board of India (IBBI) has released draft Guidelines for Conducting Valuation under the Insolvency and Bankruptcy Code, 2016 to promote uniformity, transparency, and consistency in valuations conducted in insolvency and liquidation processes. The guidelines set out general requirements such as documentation standards, minimum content of valuation reports and key parameters for valuing assets and receivables. They also specify asset-specific formats for valuation reports covering land, buildings, plant & machinery, and financial securities. Registered valuers must include detailed disclosures of valuation bases, methods used, assumptions, and limitations. Stakeholders can submit comments by 10 December 2025.

Source: *Discussion Paper on Proposed Guidelines for Conducting Valuation under the Insolvency and Bankruptcy Code, 2016, dated November 19, 2025*

IBBI Proposes Measures to Strengthen Safeguards and Transparency in Corporate Insolvency Resolution Process

The Insolvency and Bankruptcy Board of India (IBBI) has released a discussion paper titled “Strengthening Safeguards and Transparency in the CIRP,” identifying procedural gaps in the Corporate Insolvency Resolution Process (CIRP) and proposing targeted reforms. Key proposals include mandatory disclosure of allottees and their treatment in the Information Memorandum, enhanced reporting of receivables, joint development agreements and attached assets, and safeguards where no financial institution is on the Committee of Creditors. The paper also suggests requiring the CoC to record reasons when recommending liquidation. These measures aim to improve fairness, disclosure, and decision-making consistency in insolvency proceedings. Public comments are invited by 8 December 2025.

Source: *Discussion Paper – Strengthening safeguards and transparency in the CIRP, dated November 17, 2025*

IBBI Proposes Minimum 5% Shareholding Requirement for Directors and Partners of Insolvency Professional Entities

The IBBI has released a discussion paper proposing that every director or partner of an Insolvency Professional Entity (IPE) must hold at least 5% shareholding or capital contribution in the entity. The move aims to address disproportionate ownership patterns, nominal participation by many Insolvency Professionals, and governance imbalances within IPEs. The Board observed that most IPs currently hold less than 5% despite handling a majority of assignments, weakening accountability and alignment. The proposal seeks to ensure fair ownership, strengthen independence, and promote consistent governance across IPEs. Public comments are invited until 7 December 2025.

Source: *Discussion paper on Empowering Director/ Partner in an Insolvency Professional Entity (IPE) by proposing Minimum Shareholding/ Capital Contribution, dated November 17, 2025.*

IBBI Issues Discussion Paper to Standardise Valuation Practices Under Insolvency Framework

The Insolvency and Bankruptcy Board of India (IBBI) has released a discussion paper proposing reforms to standardise valuation practices under the Insolvency and Bankruptcy Code, 2016. The paper flags inconsistencies in valuation approaches, report formats, and supporting documentation, which often lead to disputes and delays in insolvency proceedings. To address this, IBBI has proposed uniform valuation report templates, minimum documentation standards, and harmonised valuation methodologies across CIRP, pre-pack and liquidation processes. It also suggests recognising intangible assets such as brand value and intellectual property while determining fair value. Stakeholder comments have been invited to refine the proposed framework.

Source: *Discussion paper on Strengthening the Valuation Process under the Insolvency and Bankruptcy Code, 2016, dated November 14, 2025.*

IBBI proposes making it mandatory to record the CoC’s deliberations on Section 29A eligibility of the Resolution Applicants

Through its Discussion Paper dated 6th November 2025, the Insolvency and Bankruptcy Board of India (IBBI) has invited suggestions on issues related to the template for the declaration of Beneficial Ownership and the Section 32A Affidavit to be submitted by Prospective Resolution Applicants (PRAs). The paper aims to enhance transparency and consistency in the resolution process by introducing standardized disclosure formats. Stakeholders have been requested to submit their comments electronically by 16th November 2025.

Source: *Discussion Paper – Template for declaration of Beneficial Ownership and Section 32A Affidavit to be submitted by Prospective Resolution Applicant (PRA) dated November 06, 2025.*