

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001

CIRCULAR

No. IBBI/IPE/014/2018

6th July, 2018

To
All Recognised Insolvency Professional Entities
All Registered Insolvency Professionals
All Registered Insolvency Professional Agencies
(By mail to registered email addresses and on the website of the IBBI)

Dear Madam / Sir,

Sub: Empanelment of Insolvency Professional Entities.

An Insolvency Professional Entity (IPE) is recognised in accordance with regulation 12 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, only if *“its sole objective is to provide support services to the insolvency professionals, who are its partners or directors, as the case may be”*. Thus, an IPE cannot provide any service to any person. It can provide only support services to the insolvency professionals who are its partners or directors. Thus, the role of IPE is clearly specified.

2. Section 206 of the Insolvency and Bankruptcy Code, 2016 (Code) prohibits a person from rendering services as an insolvency professional (IP) unless he is: (a) enrolled as a member of an Insolvency Professional Agency (IPA), and (b) registered with the Insolvency and Bankruptcy Board of India (IBBI). Thus, no person other than a person registered as an IP with the IBBI can render services as an IP. An IPE is neither enrolled as a member of an IPA nor registered as an IP with the IBBI. It cannot act as IP under the Code.

3. It has been observed that a few market participants are seeking empanelment of IPEs and a few IPEs are seeking empanelment with market participants. Given the role of an IPE, the IPEs are directed to refrain from seeking empanelment with or joining any panel of any market participant.

4. This circular is issued in exercise of the powers conferred under clause (aa) of sub-section (1) of section 196 of the Insolvency and Bankruptcy Code 2016 read with regulation 12 of the IBBI (Insolvency Professional) Regulations, 2016.

Yours faithfully,

(Debajyoti Ray Chaudhuri)
Chief General Manager
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