

INITIATIVES

Programmes on Insolvency and Bankruptcy Code, 2016

A Round Table on the Insolvency and Bankruptcy Code, 2016 was organized in Chennai on 13th May, 2017. Programmes on IBC are planned to be held next at Bhubaneswar, Baroda, Allahabad, Siliguri, Guwahati and Ahmedabad. A Three Days Intensive Class Room Training for Limited Insolvency Examination of IBBI will be conducted in Chennai in two batches (Batch 1: from 2nd to 4th June, 2017; Batch 2: 23rd to 25th June 2017). Information about the upcoming events is available at <http://iiipicai.in/>.

Learning Management System (LMS) for IBBI Limited Insolvency Examination

The members who have registered under the scheme for limited period registration are required to pass the Limited Insolvency Examination of IBBI before 6 months from the date of registration. As informed earlier, members may take the help of Learning Management System as developed by IIPI for the purpose of enabling the professionals to complete the Examination at the link <http://www.iiipicai.in/index.php/learning>.

For the convenience of the members mobile app for the LMS is also published and available at [LMS Page](#).

(No. of Registered users for LMS as on date around 2000 nos and No. of tests taken around 29000)

NEWS UPDATE

Reserve Bank of India outlines the action plan to implement the Banking Regulation (Amendment) Ordinance, 2017.

Recently the Reserve Bank of India issued an action plan outlining the steps taken and those on the anvil post the promulgation of the Banking Regulation (Amendment) Ordinance, 2017. The RBI has issued a directive bringing the following changes to the existing regulations on dealing with stressed assets.

- (i) It was clarified that a corrective action plan could include flexible restructuring, SDR and S4A.
- (ii) With a view to facilitating decision making in the JLF, consent required for approval of a proposal was changed to 60 percent by value instead of 75 percent earlier, while keeping that by number at 50 percent.
- (iii) Banks who were in the minority on the proposal approved by the JLF are required to either exit by complying with the substitution rules within the stipulated time or adhere to the decision of the JLF.
- (iv) Participating banks have been mandated to implement the decision of JLF without any additional conditionality.
- (v) The Boards of banks were advised to empower their executives to implement JLF decisions without further reference to them

It was made clear to the banks that non-adherence would invite enforcement actions. It has also been decided to reconstitute the Oversight Committee (OC) under the aegis of the Reserve Bank and also enlarge it to include more Members so that the OC can constitute requisite benches to deal with the volume of cases referred to it.

The Reserve Bank has envisaged an important role for the credit rating agencies in the scheme of things and, with a view to preventing rating-shopping or any conflict of interest, is exploring the feasibility of rating assignments being determined by the Reserve Bank itself and paid for from a fund to be created out of contribution from the banks and the Reserve Bank.

The Reserve Bank will be holding meetings in the near future with the stakeholders including banks, ARCs, rating agencies, IBBI and PE firms to seek coordination with and cooperation from them. As reported in the press release of RBI. "The Reserve Bank is working on a framework to facilitate an objective and consistent decision making process with regard to cases that may be determined for reference for resolution under the IBC. Reserve Bank has already sought information on the current status of the large stressed assets from the banks. The RBI would also be constituting a Committee comprised majorly of its independent Board Members to advise it in this matter."

IBBI announced syllabus for Limited Insolvency Examination, July 2017- December 2017

IBBI has notified new syllabus applicable for Limited Insolvency Examination from July 2017- December 2017. The following regulations shall also be additionally included in the syllabus of Limited Insolvency Examination from July 2017- December 2017.

- Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 as notified on 31st March 2017
- Insolvency and Bankruptcy Board of India (Voluntary Liquidation process) Regulations, 2017 as notified on 31st March 2017 and was enforced w.e.f. 1st April, 2017
- Insolvency and Bankruptcy Board of India (Procedure For Governing Boards Meetings) Regulations, 2017 as notified on 31st January 2017
- Insolvency and Bankruptcy Board of India (Advisory Committee) Regulations, 2017 as notified on 31st January 2017
- Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as notified on 15th December 2016

IBBI has also included **Case Laws** (Decisions of Supreme Court, High Courts, NCLAT, and NCLT on Corporate Insolvency Resolution, Corporate Liquidation and Voluntary Liquidation) in the syllabus of Limited Insolvency Examination from July 2017- December 2017 besides Case Studies. There will be five questions carrying two marks each carrying a total weightage of 10 marks in the examination for Case Laws. The new syllabus can be accessed at <http://iiipicai.in/limited-insolvency-examination-second-edition>

Hope you find this Update helpful.

Suggestions if any, may be mailed to ipa@icai.in