

Revised
Monitoring Policy
Of
Indian Institute of Insolvency Professionals of India

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MONITORING OF MEMBERS

1. Preamble

As per Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, the Insolvency Professional Agency shall have a Monitoring Policy to monitor the professional activities and conduct of professional members for their adherence to the provisions of the Code, rules, regulations and guidelines issued there-under, the bye-laws, the Code of Conduct and directions given by the Governing Board.

2. Objective

Insolvency Professional Agencies (IPAs) are required to monitor the insolvency professionals as prescribed in the Code.

- Section 196(2)(n) requires the model bye laws of IPAs to provide for the manner of monitoring and reviewing the working of insolvency professional who are members.
- Section 204 of the code provides for the functions of IPAs which inter-alia includes monitoring the performance of its professional members(i.e. IPs)
- IBBI (Model Bye Laws and Governing Board of IPAs) Regulations 2016 mandates constitution of Monitoring Committee. It requires an IPA to have a Monitoring Policy which would include frequency of monitoring, performance evaluation of members, etc.
- The Code also requires insolvency professionals to submit certain information to IPAs/IBBI under Section 208(2)(d); Section 31(3)(b) of the Code required Insolvency Professional to forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board; Regulation 16 of IBBI (Model Bye Laws and Governing Board of IPAs) Regulations provides that a professional member shall submit information, including records of ongoing and concluded engagements as an insolvency professional, in the manner and format specified by the Agency, at least twice a year.
- Code of Conduct of insolvency professionals under first schedule of IBBI (Insolvency Professionals) also provides inter-alia that the insolvency professional should perform his work with honesty, integrity, objectivity and impartiality.

IPAs are obligated to monitor IPs with respect to:

- Corporate Insolvency Resolution Process (CIRP)

- Fast Track Insolvency Resolution Process
- Liquidation Process
- Voluntary Liquidation
- Individual Insolvency Resolution
- Fresh Start Process
- Bankruptcy of Individuals and firms

3. Framework

3.1 Information to be Submitted

The Insolvency Professionals are required to report each assignment they undertake under the Insolvency & Bankruptcy Code and to submit a copy of the records of every proceeding before the Adjudicating Authority to IIPPI, in the manner and format specified by the Agency, at least twice a year. Apart from the submission of information in terms of this monitoring policy, members may be required to provide the additional quantitative or qualitative information to IIPPI or any other competent authority in the manner specified.

The reporting requirement for IPs who:

1. Have not undertaken **any** Resolution Processes, or
2. In whose case each Resolution Process handled as IRP/RP has been concluded with all related formalities/reporting requirements completed,

will be confined to submission of Static Data as detailed in paras 3.1.1(i), 3.2 and 3.3.

3.1.1 Classification of data required for Monitoring

- i. Static Data
- ii. Dynamic Data
 - a. Event Based reporting
 - b. Time Based reporting
 - c. Half Yearly return
- iii. Other qualitative information

(i) Static Data:

This consists of information furnished at the time of enrolment, which is less likely to change but is material in terms of the eligibility of the Member to continue as an Insolvency Professional (IP), eg., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of registration by IBBI, etc.

Periodicity of submission

Static data shall be provided by the IPs in the following events:

- a) At the time of enrolment;
- b) Updation of static data annually
- c) Updation of static data if there is a change.

Any change in the Static Data will need to be advised immediately to the IPA, but in no case later than 07 days of the above change having occurred or its having come to the knowledge of the Member.

(ii) Dynamic Data:

a. Event based reporting -

Event based reporting relates to occurrence of specific activity and information in connection therewith. Instances of Event based reporting are given in the chart below.

As per section 208(2)(d) of the Code, Every Insolvency Professional shall submit a copy of the records of every proceeding before the Adjudicating Authority ,to the IBBI as well as to IPA of which he is a member.

Accordingly every professional member of IIPPI has to mandatorily submit the following documents –

Name of the Event	Appointment as	List of documents to be submitted
CIRP	IRP	<ol style="list-style-type: none">1. Copy of petition2. Copy of NCLT order for admission of petition3. Copy of the application/s filed by the IRP including application for withdrawal of process u/s 12A4. Copy of notices ,agenda and minutes of the CoC meetings5. Report certifying constitution of CoC6. List of Claims received and verified7. List of Creditors
	RP	<ol style="list-style-type: none">1. Copy of NCLT order appointing as RP2. Copy of the application/s filed by the RP including application for withdrawal of process u/s 12A

		<ol style="list-style-type: none"> 3. Final List of Creditors 4. Copy of notices ,agenda and minutes of the CoC meetings 5. Copy of application filed regarding PUFETransactions, if any 6. Copy of Information Memorandum 7. Copy of Form G 8. Copy of application for extension of CIRP filed with NCLT, along with the order of NCLT 9. Copy of Evaluation Matrix 10. Copy of NCLT orders approving or rejecting Resolution Plan. 11. Copy of all other interim application filed with NCLT
Liquidation (including Voluntary Liquidation)	Liquidator	<ol style="list-style-type: none"> 1. Copy of petition 2. Copy of order admitting liquidation and appointing of Liquidator 3. Copy of Preliminary Report 4. Copy of Annual Status Report 5. List of Claimants 6. Copy of Asset Memorandum 7. Copy of Assets Sales Report 8. Copy of application filed regarding PUFETransactions, if any 9. Application filed with reference to early dissolution,if any 10. Copy of dissolution order 11. Copy of all other applications filed with NCLT

b. **Time Based Reporting-** Time based reporting relates to scheduled or periodic submission of information as defined in the Code. Every Member will be required to report each assignment by submitting the following reports. The list given below is illustrative but not exhaustive –

- Report on appointment of IRP/RP/Liquidator-Every member shall immediately and in no case later than 03 days of appointment, will report the following to IIIPI as per Annexure-
 - Date of appointment as IRP/RP/Liquidator by Adjudicating Authority

- Brief Information about new assignment
 - Number and process of existing assignments being handled by the member
 - Brief note on adequacy of resources to handle new and existing assignments.
- Copy of Public Announcement – Every member will submit the copy of public announcement in respect of CIRP/Liquidation assignments, within 03 days of his appointment as IRP/Liquidator in the case online by visiting the following link on IIIPI Website-

<https://www.iiipicai.in/ipdisclosure/>

- Disclosures in terms of IBBI Circular No. 5/2018 dated 16th January, 2018 -Every member will be required to submit the necessary disclosures within 03 days of triggering of each event as specified in the circular online by visiting the following link on IIIPI Website-

<https://www.iiipicai.in/ipdisclosure/>

- Disclosures in term of IBBI Circular No. 013/2018 dated 12th June 2018- Every member will be required to submit the cost and other expenses disclosures within 07 days of his demitting office as IRP/RP online by visiting the following link on IIIPI Website-

<https://www.iiipicai.in/ipdisclosure/>

- Other Circulars as issued by IIIPI and IBBI – Member will be required to comply with the requirements of the circulars/directions issued by IBBI and IIIPI from time to time.
- Report of Conclusion of Assignments- Every Member shall submit an outcome report within 07 days of conclusion of each assignment to the IIIPI with a copy of approved resolution plan or the liquidation order as the case may be.

Half Yearly Report-Every IP/Member is required to report each assignment under the Insolvency & Bankruptcy Code twice a year i.e., as on 30th of Sept and 31st of March, and to submit a copy of the records of every proceeding before the Adjudicating Authority to IIIPI.

The report should, inter alia, include comments for all cases being handled, on the following:

- Non adherence to directions/regulation/law, if any, with reasons
- Reasons for slippages in time lines, if any, separately for all cases
- Nature of condonation sought, if applicable, and adjudicating authority's response thereto
- In case of concluded proceedings, the Member would be required to submit a brief Status Report till the case is finally closed
- Nature and purpose of Transactions conducted with stakeholders during and up to the period of the report
- Nature and purpose of Transactions conducted with third parties during and up to the period of the report.

Periodicity of submission

- a) Half Yearly Report as on 30th September and 31st March.
- b) Report on Appointment as IRP and RP - immediately and in any case, not later than 03 days
- c) Report on appointment as Authorized Representative(AR)- with in 03 days of appointment as AR
- c) Report on conclusion of assignment- within 07 days of conclusion of the assignment

Apart from the above, the IP will be required to report within 24 hours:

- Any warnings or penalties or strictures imposed by the competent authority
- Initiation of legal action against the member

The IP/Member will also submit a summary of the outcome of each Resolution Process within 07 days of its conclusion.

(iii) Other qualitative information

The following supplementary information also needs to be submitted by the Professionals:

- a. the details of the appointments made under the Insolvency & Bankruptcy Code,
- b. summary of transactions conducted with stakeholders during the period of his appointment;
- c. summary of transactions conducted with third parties during the period of his appointment; and

- d. The outcome of each appointment.

Periodicity of submission

Details of the outcome of each appointment within 07 days of its conclusion.

3.2 Manner / Format of Submission of Information

Information will be submitted by IPs on the formats placed at Annexure A(i) for Static Data and A(ii) for Dynamic Data. The format in which the Other Qualitative Information is to be submitted is given as Annexure A(iii).

3.3 Obligations to comply with the Monitoring Policy

- (i) Every Professional registered with IIIPI is obliged to comply with the requirements of the Monitoring Policy.
- (ii) The Monitoring Committee shall review the information and records submitted by the IP with the objective of monitoring the professional activities and conduct of each member.
- (iii) Falsification, misreporting or non-reporting of information required under the Monitoring Policy or sought separately by the Monitoring Committee or any other competent authority may lead to initiation of Disciplinary Proceedings against the member.
- (iv) In case of breach of requirements of the monitoring policy or if otherwise warranted in the opinion of the committee, the matter along with the reasons for the reference may be referred by them to the disciplinary committee for necessary examination and suitable action against the member.

3.4 Inspection

The Monitoring Committee may order an inspection of a Professional Member's records wherever deemed necessary, with or without prior notice to the member. This function may be delegated to a suitable member(s), where required. The report of the inspection will be put up by the inspecting member(s) to the Monitoring Committee, which would take appropriate steps/action, as warranted.

3.5 Use, Analysis and Storage of Information and Records

3.5.1 Use/ Analysis of information and records

IIPI shall submit a report to IBBI on the Format presently in use, containing information collected from professionals, pertaining to -

- a. the details of the appointments made under the Insolvency & Bankruptcy Code,
- b. the transactions conducted with stakeholders during the period of his appointment;
- c. the transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.
- e. Any other related information.

3.5.2 Storage of information and records with due respect to the confidentiality of information gathered.

The data so collected shall be stored and recorded in a physical and/or digital manner for a period of 8 years, having due regard for:

- a. ensuring the privacy of members and confidentiality of information received, except when disclosure of information is required by the Board or by law or with the consent of the member,
- b. in a non-discriminatory, and
- c. With proper safeguards, including Disaster Recovery Mechanism procedures.

3.6 Evaluation of Members

The information obtained from members shall be analyzed to verify whether the transactions conducted were in compliance with the Insolvency and Bankruptcy Code, Regulations and other applicable laws.

The information collected from the members will be evaluated on Quantitative and Qualitative Parameters, with a weightage of 30:70 being assigned to the two respectively for facilitating the assessment.

3.6.1 Quantitative:

1. Frequency of submission of reports
2. Delay in submission of information exceeding 15 days from stipulated timeline
3. Deviation from timelines prescribed under law/regulation
4. Transactions conducted with stakeholders/3rd parties

5. No. of Warnings/Strictures/Penalties imposed till date of report
6. No. of incorrect submissions/ data falsifications, etc.
7. No. of Disciplinary cases initiated, if any, with outcomes
8. No. of grievances raised, if any, with outcomes
9. Outcome of Inspection, if any.

3.6.2 Qualitative:

1. Review of steps taken by the IP/Member
2. Violations, if any, of IBC/Regulations
3. Nature of condonation sought, if applicable, and adjudicating authority's response
4. Effectiveness and timeliness of follow-up measures
5. Quality of reporting to NCLT
6. Quality of citings/references
7. Quality of Interaction with Stakeholders
8. Valuation methodology/approach
9. Implication and impact of grievances received, if any
10. Outcome of steps taken for Resolution Process
11. Result of Disciplinary Action, if any
12. Details of Imprisonment, Debarments, Suit(s) filed against IP/Member, Strictures by the competent authority, if any, with the reasons therefor and status.
13. Others

Evaluation of Performance-

Based on the above analysis, performance of the members will be evaluated and categorised them in three categories as given below-

1. Fully Compliant- Members who are submitting information regularly ,complying with Code ,Regulations, Policy and Circulars in letter and spirit ,will be considered as fully compliant.
2. Semi Compliant- Members who are submitting information with delay and are irregular in complying with Code, Regulations and Circulars will be considered as Semi Compliant. These members will be issued warning for the first time such discrepancy is spotted. For all subsequent delays, these members will be considered as non-compliant and be treated accordingly.
3. Non-compliant- Members who are not submitting information and are not responding to communications of IIIPI will be termed as Non-compliant. The names of these members will be published on the website of IIIPI as defaulters and necessary disciplinary action will be initiated against them.

Apart from the above, features adversely impinging on ethics and integrity, if prima facie tenable would be referred to the Disciplinary Committee and their decision taken into consideration.

Evaluation criteria for IPs who have undertaken assignments would cover the above factors.

In respect of members who have not undertaken any assignment, their Static Data would be verified annually on a proportionate sample size of 5% of the strength registered from each Region, to keep a check on any unreported changes.

3.7 Late Fee on submission of delayed information

Members are required to submit the requisite disclosures/reports within a prescribed time period. In case of failure to do so within the prescribed time period as given in the respective circulars/advice; he/she shall be liable for a late fee of Rs. 100/- per day of delay. However, this provision may not apply to reports submitted to other competent authorities.

3.8 Review of the Monitoring Policy

The implementation of the Policy will be monitored and reviewed by the Monitoring Committee at quarterly intervals and bi-annually by the Governing Board of IIIPI.

The Monitoring Policy may be amended from time to time by the Governing Board and will remain in force till further instructions of the Governing Board or IBBI.

Annexure A(i)

**Reporting Format
Static Data**

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Reporting Format for Static Data:

Sr. No.	Static Data Change Particulars	Date of Change	Reason for Change	Implications for Current/ Concluded Proceedings

Remarks:

Date:

Name and Signatures of IP

Explanatory Notes:

3.1.1(i) Static Data

Source: Information detailed in Form A (Application for Registration as an Insolvency Professional) Items A to E.

Explanation: Static Data consists of information furnished at the time of enrolment, which is less likely to change but is material in terms of the eligibility of the Member to continue as an Insolvency Professional (IP), e.g., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of COP, etc.

Any change in the Static Data will need to be advised immediately to the IPA, but in no case later than 15 days of the above change having occurred or its having come to the knowledge of the Member.

In all cases, the IP/Member will be required to submit a fresh Status report to the IPA at the time of his annual renewal of Membership.

Periodicity of Submission:

Static data shall be provided by the IPs in the following events:

- d) At the time of enrolment;
- e) Updation of static data annually
- f) Updation of static data if there is a change and

Periodicity of submission of **Changes** in Static Data-

Immediately on any change in Static Data, as defined earlier, but in any case **not later than 15 days** of the occurrence of the change on the format given above.

**Reporting Format
Dynamic Data**

Annexure A (ii)

Report of New Appointment as IRP/IP (Max Time 03 days)

Reporting Parameter	IP's Comments
Name of IRP:	
Registration No. of IRP	
Name of the Corporate Debtor:	
CIN of the Corporate Debtor(CD):	
Date of Commencement of CIRP:	
Assets of CD (Rs.crore) as on the last balance sheet date:	
Turnover of CD (Rs crore) in the last financial year:	
Number and process of existing assignments being handled by the IP	
Brief note on adequacy of resources to handle new and existing assignments	

Remarks:

Date:

Signature of IP

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Report of New Appointment as Authorized Representative(AR)- Max Time within 03 days of appointment as AR

Reporting Parameter	AR's Comments
Name of AR-	
Registration No. of AR-	
Name of the Corporate Debtor-	
CIN of the Corporate Debtor(CD)-	
Date of Commencement of CIRP-	
Representative of Class of Creditors(Specify)-	
Total No. of Creditor in Class-	
Total claims received from class of creditors-	
No. of COC Meeting- a. Meeting Held with dates b. Meeting Attended with dates	
Key issues raised by AR with related dates-	
Any other comments-	

Remarks:

Date:

Signature of AR

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Half Yearly Report as on 30th Sept/31st March
(To be provided separately for each Resolution Process)

Reporting Parameter	IP's Comments(Add separate sheets, wherever required)
<ol style="list-style-type: none"> 1. Change in Registration details, if any for the reporting period 2. Date of intimation of change to IIIPI 3. Whether the requirements of Regulation 4 of IBBI(Insolvency Professionals) Regulations,2016 were complied with during the reporting period 4. Dates of submission of reports as prescribed under law/regulation to NCLT/Others 5. Dates of actual submission 6. Reasons of delayed reports from stipulated timeline 7. Disqualification under Regulation 30 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 8. No. of Warnings / Strictures / Penalties imposed till the date of report. 9. No. and amount of claims not accepted. 10.No. of Disciplinary cases initiated, if any, along with status 11.No. of grievances raised, if any, along with status 12.Outcome of Inspection, if any. 13.Reasons for delay in Filing Half Yearly Report, if any 	

DECLARATION: I, Mr./Mrs./Ms.-----, with IP Registration No.-----, resident of/having my principal place of business/registered office at-----, do hereby

declare that all the requirements under the Insolvency and Bankruptcy Code, 2016 and the rules and regulation made there under have been complied with. I also declare that all the information provided herein is true, correct and complete to my/our knowledge and belief and nothing material has been suppressed.

Signature

Name

Date:

Flash Report (Within 24 hours of receipt of notice/order by IP)

Reporting Parameter	IP's Comments
<ul style="list-style-type: none"> - Any warnings or penalties or strictures imposed by the competent authority - Initiation of legal action against the member by third parties/Corporate Debtor in violation of Section 233/236 	

Remarks:

Date:

Signature

Name

Annexure A(iii)

**Reporting Format
Other Qualitative Information**

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

1. Conclusion Report – Resolution Process

Particulars	Remarks
1. Name of the Corporate Debtor	
2. CIN No.	
3. Date of Admission	
4. Date of Closure of CIRP Process	
5. Insolvency triggered under which section of Code	
6. Date of Appointment of IRP	
7. Date of Public Announcement	
8. Date of Constitution of CoC	
9. Last date of submission of Claims	
10. Date of First meeting of CoC	
11. Date of Appointment as RP	
12. Date of appointment of Registered Valuers	
13. Date of Appointment of Other Professionals	
14. Date of Submission of IM	
15. Date of Issue of Form G	
16. Extension sought, if any with revised date of CIRP Closure	
17. Date of approval of Resolution Plan by CoC	
18. Date of submission of resolution Plan to NCLT	
19. Date of Approval/Rejection by NCLT	

2.(a) Summary Report of Transactions with Stake Holders

Sr. No.	Date of Transaction	Amount (Rs.)	Purpose
	Total		

2.(b) Summary Report of Transactions with Third Parties

Sr. No.	Date of Transaction	Amount (Rs.)	Purpose
	Total		

Remarks:

Date:

Name and Signatures of IP

Explanatory Notes:

3.1.1(iii) Other Qualitative Information:

The following supplementary information also needs to be submitted by the Professionals:

- a. the details of the appointments made under the Insolvency & Bankruptcy Code,
- b. the transactions conducted with stakeholders during the period of his appointment;
- c. the transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.

Periodicity of Submission:

1. Summary of the outcome of each Resolution Process within 07 days of its conclusion.
2. Summary Report of Transactions half yearly as on 30th Sept and 31st March.