



IIPI Newsletter

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Knowledge SBU Initiative

Jet Airways RP invites expressions of interest by August 3

The resolution professional (RP) of Jet Airways Saturday called for expressions of interest (EoIs) to sell the grounded airline's meager assets by August 3. In an advertisement posted on the airline's website and in newspapers, the RP, Ashish Chhawchharia, appointed by Jet Airways' lenders, has set a deadline of August 3 for receipt of EoIs, August 6 as the date of issue of provisional list of prospective resolution applicants, and August 11 as the last date of submission of objections.

Insolvency Board Amends Rules To Check Conflict Of Interest Of Insolvency Professionals

(A) Following are the significant changes IBBI (IP) (Amendment) Regulations, 2019:

1. An insolvency professional shall not accept or undertake any assignment under IBC unless he holds an 'Authorization for Assignment' issued by his Insolvency Professional Agency. This is effective from 1st January, 2020.
2. An insolvency professional shall not engage in any employment when he holds an Authorization for Assignment or when he is undertaking an assignment. He may surrender Authorization for Assignment when he wishes to take up employment.
3. Now an individual can seek registration as an insolvency professional even when he is in employment. He must, however, discontinue employment when he wishes to have an Authorization for Assignment.
4. An insolvency professional must disclose the details of any conflict of interests to the stakeholders, whenever he comes across such conflict of interest during an assignment.
5. An insolvency professional shall not engage or appoint any of his relatives or related parties, for or in connection with any work relating to any of his assignment.
6. An insolvency professional shall not provide any service for or in connection with the assignment which is being undertaken by any of his relatives or related parties.

POINT TO PONDER

“Leadership and learning are indispensable to each other.”

– John F. Kennedy

7. Where an insolvency professional has conducted a corporate insolvency resolution process, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment. with, or render professional services, other than services under the Code to a creditor having more than ten percent voting power, the successful resolution applicant, the corporate debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process.

(B) Following are the significant changes in IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2019 are:

1. An Insolvency Professional Agency shall issue/renew an Authorization for Assignment to insolvency professionals in accordance with its Bye-laws.
2. Subject to meeting other requirements, an insolvency professional shall be eligible to obtain an Authorization of Assignment if he has not attained the age of seventy years.
3. The Insolvency Professional has to make an application for issue or renewal of an authorization for assignment, in such form, manner and with such fee, as may be provided by the Agency.
4. An authorisation for assignment issued or renewed by the Agency shall be valid for a period of one year from the date of its issuance or renewal.
5. An applicant aggrieved of an order of rejection of his application by the Agency may appeal to the Membership Committee within seven days from the date of receipt of the order.

IBBI Issues Fresh Amendments

Through 3 Notifications issued on 25th July 2019, IBBI has tweaked the following Regulations to address existing needs:

1. No. IBBI/2019-20/GN/REG048- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2019
2. No. IBBI/2019-20/GN/REG047- Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019
3. No. IBBI/2019-20/GN/REG046 - The Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2019.

***Feedback requested at ipa@icai.in**