

REPORTING ALMANAC

Indian Institute of Insolvency Professional of ICAI (hereinafter referred to as IIPI) is a public limited company registered under Section 8 of the Companies Act, 2013.

IIPI had been awarded with the registration certificate as the First ever Insolvency Professional Agency of India by then Hon'ble Finance Minister Late Shri Arun Jaitely on 28th November 2016.

Pursuant to sub clause 15 of clause VIII of Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 read with sub clause 15 of clause VIII of Bye Laws of IIPI, 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 Insolvency & Bankruptcy Code, rules, regulations and guidelines issued there-under, the bye-laws, the Code of Conduct and directions given by the Governing Board.

PROVISIONS PERTAINING TO REPORTING BY INSOLVENCY PROFESSIONAL UNDER THE CODE

- As per Section 208 (2)(d) of the Code, every Insolvency Professional shall submit a copy of the records of every proceedings before the Adjudicating Authority to the Insolvency and Bankruptcy Board of India (IBBI) as well as to the Insolvency Professional Agency of which he is a member.
- As per Clause 16 of the Schedule prescribed under IBBI (Model Bye-Laws & Governing Board of Insolvency Professional Agencies) Regulations, 2016; a professional member shall submit information, including records of ongoing and concluded engagements as an IP, in the manner and format specified by the respective Insolvency Professional Agency at least twice a year.
- An IP shall abide by the Monitoring Policy adopted by the Insolvency Professional Agency with whom he/she is enrolled and shall make timely reporting in accordance with the policy.
- An IP shall maintain and preserve complete and proper record of all the assignments (corporate insolvency resolution process/ voluntary liquidation/ liquidation) handled by them. IBBI in consultation with IPAs will soon notify the retention schedule of records by an IP. The reference of the same has been given under Regulation 39A notified via Insolvency and Bankruptcy Board of India (insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2018.
- Section 31(3)(b) of the Code requires Insolvency Professionals to forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board.

REPORTING REQUIREMENTS PURSUANT TO MONITORING POLICY OF IIIPI/ CIRCULARS AND REGULATIONS

Copy of Public Announcement	Copy of Public announcement to be uploaded on the website of IIIPI
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Every member will submit the copy of public announcement in respect of CIRP/Liquidation assignments, within 07 days of his appointment as IRP/Liquidator on the website of IIIPI.

IBBI Circular dated 16th January,2018	Disclosures by Insolvency Professionals and other professionals appointed by Insolvency Professionals conducting Resolution Process to be submitted on the website of IIIPI
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Events for Filing Relationship Disclosure (*within 3 days from the occurrence of event*)

- On Appointment as IRP/RP
- On Constitution of Committee of Creditors
- On Appointment of other professionals (Registered Valuers, Advocates etc.)
- On Raising of Interim Finance
- On Supply of Information Memorandum

Relationship shall mean any one or more of the four kinds of relationships at the time of event being occurred or at any time whenever relation comes to notice or arises subsequently.

Kind A	Where the Insolvency Professional or the Other Professional, as the case may be, has derived 5% or more of his / its gross revenue in a year from professional services to the related party.
Kind B	Where the Insolvency Professional or the Other Professional, as the case may be, is a Shareholder, Director, Key Managerial Personnel or Partner of the related party.
Kind C	Where a relative (Spouse, Parents, Parents of Spouse, Sibling of Self and Spouse, and Children) of the Insolvency Professional or the Other Professional, as the case may be, has a relationship of kind A or B with the related party.
Kind D	Where the Insolvency Professional or the Other Professional, as the case may be, is a partner or director of a company, firm or LLP, such as, an Insolvency Professional Entity or Registered Valuer, the relationship of kind A, B or C of every partner or director of such company, firm or LLP with the related party.

Points to remember

- File relationship disclosure on each event, even if there is no relationship
- Enter correct dates for every event.
- File disclosure on the event of appointment of every professional eg. Registered Valuer, Accountant, Forensic Auditor etc.
- Declare whether the appointment/s have been made at arm's length relationship.
- File disclosure in the event of availing support services from IPE.
- Properly evaluate existence of relationship (if any).
- Submit the disclosures within due dates.
- Always make sure to file correct and complete disclosures.

**IBBI Circular dated
12th June,2018**

**Fee and other Expenses incurred for Corporate
Insolvency Resolution Process**

Events for Filing Relationship Disclosure (*within 7 days from the occurrence of event*)

- **Form I & II:** Within 7 days from demitting office as IRP
- **Form III:** Within 7 days from demitting office as RP

Demitting means leaving office either on completion of term as IRP, resignation, removal, reappointment as RP or otherwise.

Points to remember

- Enter correct dates regarding the appointment as IRP/RP.
- Select relevant head before putting value in respect of any expense.
- Fee paid for support services taken from IPE to be disclosed in the forms.
- Enter correct values under each head and same should in synchronization with the supporting document available in respect of particular fees and expense.
- If an expense is not required to be ratified by CoC, then write 0 under the head "Amount approved/ratified by CoC" and provide a clarification in the Remarks column.
- Ensure synchronization between the relationship disclosure and cost disclosure especially regarding the appointment of the professionals.
- Submit the forms within the due dates.

**IBBI Circular dated
17th October,2018**

**Valuation under Insolvency and Bankruptcy Code,
2016**

- Appointment of any person, other than a 'registered valuer', i.e, a valuer registered with the IBBI under the Companies (Registered Valuers and Valuation) Rules, 2017, on or after 1st February, 2019, to conduct any valuation required under the Insolvency and Bankruptcy Code, 2016, or any regulations made thereunder, including the Insolvency and Bankruptcy Board of India (Insolvency Resolution for Corporate Persons) Regulations, 2016, and the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, **is illegal and amounts to violation of the Circular aforesaid.**
- Any fees paid to any person, other than a 'registered valuer' for any valuation shall **not form part of the insolvency resolution process costs or liquidation cost.**

For the purpose of valuation under the Code and engagement letter being entered into should be either with IBBI Registered Valuer/Registered Valuers Entity clearly defining their name, address, IBBI registration number, their scope of work, fees and timeline within which report has to be provided.

Point to remember

- While filing relationship disclosure, IPs should specifically mention the individual name of the Valuer registered with IBBI and shall disclose the his / her IBBI valuer registration number along with the Asset Class.
- Make sure to appoint only those valuers in the process, which are registered with IBBI.
- Make sure that the valuation report is signed by the Individual Valuer registered with IBBI.
- Make sure that the fee payable for the assignment has been paid to the Individual Valuer.

**IBBI Circular dated
14th August,2019
and Regulation 40A
of CIRP regulations**

**Filing of Forms for the purpose of monitoring
corporate insolvency resolution processes and
performance of insolvency professionals under
the Insolvency and Bankruptcy Code, 2016 and
the regulations made thereunder**

Pursuant to this Circular and CIRP regulations, IBBI has developed an electronic platform for filing of the CIRP Forms. The said platform is hosted on the website of the IBBI. An IP shall access the said platform with the help of a unique username and password provided to him by the IBBI and upload / submit the Forms, along with relevant information and records, after affixing DSC or after e-signing.

Form	Period Coverage and Scope	To be filed by	Timelines
IP 1	<p>Pre-Assignment:</p> <p>This includes consent to accept assignment as IRP / RP, the details of IP and the Applicant, the details of the person which will undergo the process, terms of consent, terms of engagement, etc.</p>	IP	<p>Within three days of signing of Form-2 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 or Form-AA of the Regulations, as the case may be.</p>
CIRP 1	<p>From Commencement of CIRP till Issue of Public Announcement:</p> <p>This includes details of IRP, CD, and the Applicant; admission of application by AA; public announcement; details of suggested Authorised Representatives; non-compliances with the provisions of the Code and other laws applicable to the CD; etc</p>	IRP	<p>Within seven days of making the Public Announcement under section 13.</p>
CIRP 2	<p>From Public Announcement till confirmation/ replacement of IRP:</p> <p>This includes details of Authorised Representative selected by IRPs for a class of creditors; taking over management of the CD; receipt and verification of claims; constitution of CoC, first meeting of CoC; confirmation / replacement of IRP; applications seeking cooperation of management (if any); expenses incurred on or by IRP; relationship of IRP with the CD, Financial Creditors and Professionals; support services taken from IPE; non-compliances with the provisions of the Code and other laws applicable to the CD; etc</p>	IRP	<p>Within seven days of confirmation/ replacement of IRP under section 22.</p>
CIRP 3	<p>From Appointment of RP till issue of Information Memorandum (IM) to Members of CoC:</p> <p>This includes details of RP; details of registered valuers; handing over of records of CD by IRP to RP; taking over management of the CD; applications seeking co-operation of management (if any); details in IM; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.</p>	RP	<p>Within seven days of issue of IM to members of CoC under regulation 36.</p>

CIRP 4	<p>From Issue of IM till issue of Request for Resolution Plans (RFRP): This includes expression of interest; RFRP and modification thereof; evaluation matrix and modification thereof; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.</p>	RP	Within seven days of the issue of RFRP under regulation 36B.
CIRP 5	<p>From Issue of RFRP till completion of CIRP: Updated list of claimants, updated CoC, details of the resolution applicants, details of resolution plans received, details of approval or rejection of resolution RP Within seven days of the approval or rejection of the plans by CoC, application filed with AA for approval of resolution plan; details of resolution plan approved by the AA, initiation of liquidation, if applicable, expenses incurred on or by RP, appointment of professionals and the terms of appointment, relationship of the RP with the CD, financial creditors, and professionals, support services sought from IPE, non-compliances with the provisions of the Code and other laws applicable to the CD.</p>	RP	Within seven days of the approval or rejection of the resolution plan under section 31 or issue of liquidation order under section 33, as the case may be, by the AA.
CIRP 6	<p>Event Specific: This includes:</p> <ol style="list-style-type: none"> a) Filing of application in respect of preferential transaction, undervalued transaction, fraudulent transaction, and extortionate transaction; b) Raising interim finance; c) Commencement of insolvency resolution process of guarantors of the CD; d) Extension of period of CIRP and exclusion of time; e) Premature closure of CIRP (appeal, settlement, withdrawal, etc.); f) Request for liquidation before completion of CIRP; and g) Non implementation of resolution plan, as approved by the AA. 	IRP/RP	Within seven days of the occurrence of the relevant event.

Common errors observed on part of IPs while filing forms

- Reason for delay in filing Public Announcement not provided.
- Date of filing disclosure with IPAs not provided.
- Reason for delay in submission of IM was not provided.
- Date of filing the application to AA was not provided.
- Date of filing of list of creditors with the AA was not given though the list is duly attached in the forms.
- Incomplete attachments in the forms.
- Errors in date of admission, amount admitted as debt, date of confirmation of RP.

- Wrong CIN details of CD
- Timelines are not correctly incorporated.
- Details of the orders passed by Adjudicating Authorities/Courts are incomplete like date of order; brief of order etc. is not captured.
- Details of Authorized Representative not provided.
- Mismatch in the information pursuant to the relationship and cost disclosure submitted on IPA website and provided in CIRP forms.
- Disclosure pertaining to the IPE appointed not made to IPA.
- Difference in date of constitution of Committee of Creditors and actual date.
- Date of confirmation as RP not mentioned.
- Reason of liquidation not provided in the respective form.
- In case of withdrawal of CIRP, forms pertaining to the RP tenure are not filed.

IMPORTANT

As per Regulation 40 B of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016), the filing of a Form under this regulation after due date of submission, whether by correction, updation or otherwise, shall be accompanied by a **fee of five hundred rupees** per Form for each calendar month of delay after **1st January, 2020**.

Example: A Form is required to be filed by 30th January 2020. It shall be filed along with a fee as under:

If filed on	Fees (Rs.)
29th January, 2020	0
30th January, 2020	0
31st January, 2020	500
Any day in February, 2020	1000
Any day in March, 2020	1500

The IRP / RP, as the case may be, shall be liable to any action which the Board may take as deemed fit under the Code or any regulation made thereunder, including refusal to issue or renew Authorisation for Assignment, for-

- a) failure to file a form along with requisite information and records;
- b) inaccurate or incomplete information or records filed in or along with a form;
- c) delay in filing the form

Further Regulation 40C provides for special provision relating to timeline. Accordingly, notwithstanding the time lines contained in these regulations, but subject to the provisions in the Code, the period of lock down imposed by the Central Govt in the wake of Covid-19 outbreak shall not be counted for the purpose of the time line for any activity that could not be due to such lock down, in relation of CIRP process.

Half Yearly Return**Filing of submission of Half Yearly Return with in 15 days from the end of respective Half Year**

Pursuant to sub clause 16 of Clause VIII of Schedule of Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 read with sub clause 16 of Clause VIII of Bye-Laws of Insolvency Professional Agency, every 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 online by visiting the following link on IIPAI Website-

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

The Professional Member shall submit the Half Yearly Report to IPA in the manner specified by IPA twice in a year as follows:

Reporting Tenure	Last Date of submission
From 1st April to 30th September	15th October
From 1st October to 31st March	15th April

IBBI Circular dated 12th April,2019**Compliance with Regulation 7(2)(ca) of the IBBI(Insolvency Professionals) Regulation,2016.**

- Members are required to pay to IBBI, a fee calculated at the rate of 0.25% of the professional fee earned for the services rendered by him as an IP in the preceding financial year, on or before the 30th April of every year, along with a statement in Form E of the Second schedule. Form E is required to be submitted on the website of IBBI.

Point to remember

- Form E is required to be submitted by every IP even if he has not earned any professional fee or does not have any turnover during the financial year.*