

Insolvency and Bankruptcy Board of India

Press Release

1st April, 2018

IBBI invites suggestions on regulation of fee payable to insolvency professionals and other process costs under Corporate Insolvency Resolution Process.

Today, the Insolvency and Bankruptcy Board of India (IBBI) released a discussion paper on regulation of fee payable to insolvency professionals (IPs) and other process costs under Corporate Insolvency Resolution Process (CIRP). The discussion paper is available at www.ibbi.gov.in.

2. IBBI invites suggestions and comments on the issues discussed in the paper, including the following:

- i. Whether the elements of costs listed in the paper are comprehensive? Are the elements of costs / fee classified / grouped appropriately? Please suggest modifications.
- ii. Should the elements of the insolvency resolution process cost (IRPC), including fee payable to IPs, Insolvency Professional Entities (IPEs) and other Professionals, be regulated?
- iii. Should the fee be disclosed by interim resolution professional (IRP) / resolution professional (RP), and then published on the web site of the respective Insolvency Professional Agency or the IBBI? Is disclosure of fee good enough for regulation of fee?
- iv. Should the industry and /or the Board promote development of best practices in respect of fee of the IRP and the RP and other fee associated with CIRP? What should be the elements of best practice? Should best practice for determination of fee good enough for regulation of fee?
- v. Should the fee payable for various services under CIRP be further (beyond disclosures and best practices) regulated? If so, how should the fee payable to the IRP/RP, Insolvency Professional Entity (IPE) and professionals engaged under CIRP be regulated? Should there be a ceiling, a floor or a band for fee payable to the IRP/RP, IPE and other professionals. Should it be a percentage linked to some variable of the corporate debtor? Should it be decided based on estimation of man hours of services required in a CIRP? Please elaborate.
- vi. How should the fee and costs associated with CIRP be ascertained and minimized?
- vii. Is there any further suggestion / comment on costs and fee associated with CIRP?

3. The suggestions and comments may please be mailed at feedback@ibbi.gov.in latest by 20th April, 2018.
