



**INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI**

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# IIPI Newsletter

**July 23, 2021**

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## IBBI Tweaks Min. Experience Criteria for IPs

IBBI via a Notification titled "IBBI (Insolvency Professionals) (Second Amendment) Regulations, 2021" has substituted subclause (iii) of Regulation 5 (c), namely, "(iii) experience of - (a) ten years in the field of law, after receiving a Bachelor's degree in law; (b) ten years in management, after receiving a Master's degree in Management or two-year full time Post Graduate Diploma in Management; or (c) fifteen years in management, after receiving a Bachelor's degree".

However, for the purposes of this regulation, only professional and managerial experience shall be considered, reads Explanation 1.

**For More Details, Please Visit:**

<https://www.ibbi.gov.in/uploads/legalframework/5c2976ceb203ec0ba390380f747563f6.pdf>

## News Update

*\*For Internal Circulation Only*  
*\*Knowledge SBU Initiative*

### Creditors got ₹ 2.37 trillion through approved Resolution Plans of top 100 CIRPs: Minister in Lok Sabha

Responding to a query in Lok Sabha on July 19, Union Minister of State for Finance Shri Pankaj Chaudhary informed that the financial creditors have realized ₹ 2.37 trillion through approved resolution plans of top 100 CIRPs, which is over 36 per cent of the admitted claims. He further informed that the first quarter of FY 22, the creditors have realized ₹ 2.45 trillion from 394 resolution plans approved under the Insolvency and Bankruptcy Code (IBC), 2016.

"Separate framework for resolution of systemically important Financial Service Providers (FSPs) other than banks, has led to approval of a resolution plan that will help in realising ₹ 37,167 crore," said Shri Chaudhary. It is pertinent to mention that DHFL has been the first FSP of which the Resolution Plan was recently approved by the NCLT. He also acknowledged the adverse impact of Covid-19 pandemic in financial recovery by creditors during FY21. "Scheduled Commercial Banks (SCBs) recovered ₹ 4.18 trillion during the last three financial years, with recovery as a percentage of their gross NPA increasing from 13.1 per cent in FY18 to 15.1 per cent in FY19. The recovery increased to 15.8 per cent in FY20 to drop to 12.8 per cent in FY21 in the backdrop of the pandemic," he added.

**For More Details, Please Visit:**

[https://www.business-standard.com/article/finance/creditors-got-rs-2-45-trn-from-394-resolution-cases-under-ibc-finmin-121071901160\\_1.html](https://www.business-standard.com/article/finance/creditors-got-rs-2-45-trn-from-394-resolution-cases-under-ibc-finmin-121071901160_1.html)

## News Roundup

### Only 164 CIRP cases admitted in three months after lapse of IBC Suspension

Estimates of surge in CIRP cases due to the economic slowdown caused by Covid-19 pandemic has been one of the primary arguments put forward by experts to press for the extension of IBC suspension beyond March 24.

However, the data shows that only 164 CIRP cases were admitted in various NCLTs during the first three months the IBC regime came back into effect. Till June 30, 2021, a total of 4,540 CIRP cases were admitted, an increase from 4,376 cases at March end. Due to the adverse economic situations caused by the pandemic, the Union Government had prohibited the initiation of fresh insolvency cases against corporate debtors by suspending Section 7, 9, and 10 of the IBC w.e.f. March 25, 2020.

**For More Details, Please Visit:**

<https://www.livemint.com/news/india/bankruptcy-filings-stay-low-after-lifting-ibc-suspension-11626869863176.html>

### Foreign Companies filed about 1,300 Bankruptcy Petitions in past 8 years in the USA

According to the annual reports of the Administrative Office of the U.S.A. Courts, about 1,300 Chapter 11 petitions were filed by companies based outside the country. However, the actual number of companies benefitted may be less because larger firms file separate petitions for each of their subsidiary firms. At least a dozen big foreign corporations, including airlines, oil drillers and satellite companies, filed bankruptcy cases last year in the U.S., according to court records and a law school tally, said a media report.

**For More Details, Please Visit:**

<https://www.bloomberqint.com/onweb/bankruptcy-friendly-u-s-extends-lead-as-haven-of-foreign-filers>

### IIPI announces 2nd Batch of Limited Insolvency Examination (LIE) – Preparatory Classroom (Virtual) Program

The 2<sup>nd</sup> Batch of LIE-Preparatory Classroom Program (Virtual), scheduled to be conducted from July 30, 2021 is aimed at providing guidance to the aspiring insolvency professionals for the upcoming LIE. It is being jointly organized by IIPI and the Committee on Insolvency and Bankruptcy Code, ICAI. The 40 hours program will last for 10 days and will be conducted on weekends.

**For More Details, Please Visit:**

<https://www.iipticai.in/wp-content/uploads/2021/07/LIE-Final-Flyer-2nd-Batch.pdf>



### IBBI introduces “CIRP Form 8”

Through a circular on July 20, 2021, the Insolvency and Bankruptcy Board of India (IBBI) has made it mandatory for the IRPs/RPs to file a new form - CIRP Form 8.

“The CIRP Form 8 is required to be filed for all CIRPs ongoing or commencing on or after 14th July 2021,” reads the Circular. “It is directed that the Form CIRP 8 shall be filed in accordance with regulation 40B of the CIRP Regulations on the Board’s website, like other CIRP Forms,” it added.

The CIRP Form 8 has been introduced in pursuance to the Regulation 35A of the IBBI (IRPCP) Regulations, 2016 which requires an RP to form an opinion on transactions covered under sections 43, 45, 50 and 66 by 75th day, make determination on such transactions by 115th day, and file an application before the Adjudicating Authority by 135th day of the insolvency commencement date. Further, Regulation 40 B (1B) requires the RP to file Form CIRP 8 intimating details of his opinion and determination under regulation 35A, by 140th day of the insolvency commencement date.

**For More Details, Please Visit:**

<https://www.ibbi.gov.in/uploads/legalframework/f6c188806f3e1357ec641821cfc62d7e.pdf>