

Legal Framework

Here are some important amendments, rules, regulations, circulars, notifications, and press releases related to the IBC Ecosystem.

CIRCULARS

IPs do not need to provide “Identification Number” for seeking identification details of stakeholders in CIRP

The IBBI through a circular titled 'Filing of List of Creditors under Clause (ca) of Sub-Regulation (2) of Regulation 13 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016' has directed Insolvency Professionals (IPs) to file the list of creditors on its electronic platform of the Board for dissemination on its website, www.ibbi.gov.in, in the stipulated revised format within three days of the preparation of the list or modification. The Board had issued the Circular No. IBBI/CIRP/36/2020 on November 24, 2020, for the same. The column, “Identification No.” has been removed considering the partial modification of the circular under reference to avoid misuse of sensitive personal information which is not to be revealed on public platforms. The rest of the contents shall remain same.

Source: IBBI Circular No. IBBI/CIRP/47/2021, dated November 24, 2021..

IPs do not need to provide “Identification Number” for seeking identification details of stakeholders in Liquidation Process

The IBBI through a circular titled 'Filing of List of Stakeholders under Clause (d) of Sub-Regulation (5) of Regulation 31 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016' has directed the liquidators to file the list of stakeholders and modifications on its electronic platform, www.ibbi.gov.in, in the stipulated revised format within three days of the preparation of the list or modification. The Board had issued the Circular No. IBBI/LIQ/40/2021 on March 04, 2021, for the same. The column, “Identification No.” has been removed considering the partial modification of the circular under reference to avoid misuse of sensitive personal information which is not to be revealed on public platforms. The rest of the contents shall remain same.

Source: IBBI Circular No. IBBI/LIQ/46/2021, dated November 24, 2021.



No Income Tax NOC/NDC required for voluntary liquidations

The IBBI through a circular titled 'Clarification Regarding Requirement of Seeking No Objection Certificate or No Dues Certificate from the Income Tax Department During Voluntary Liquidation Process under the Insolvency and Bankruptcy Code, 2016' has stated that a liquidator, within five days of his appointment, must call for submission of claims by financial creditors and operational creditors including government within thirty days from the liquidation commencement date. Not following the same, the corporate person shall be liable to get dissolved. According to the provisions of the Code and Regulations read with Section 178 of the Income-tax Act, 1961, an Insolvency Professional (IP) is not required to seek any NOC/NDC from the Income Tax Department as the process of applying and obtaining of such NOC/NDC consumes substantial time defeating the objective of time-bound completion of process under the code.

Source: IBBI Circular No. IBBI/LIQ/45/2021, dated November 15, 2021.

GUIDELINES

IBBI Published final panel of IPs for January to June 2022

IBBI on December 30, 2021, published Final Panel of IPs prepared in accordance with 'Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (second) Guidelines, 2021' for the period from January 1, 2022, to June 30, 2022.

The names of IPs featuring in the list can be appointed as IRP, RP, Liquidators, Bankruptcy Trustees for the period

mentioned above. Thereafter, IBBI will publish a new panel of IPs for the above-mentioned purpose.

Source: <https://www.ibbi.gov.in/uploads/whatsnew/6a77e5bcf009173614e660fdb48e33e5.pdf>

IBBI Extends Online Educational Courses till March 31, 2022

Due to rising cases of Omicron Covid variant and threat of third wave, IBBI has extended online educational courses and professional development sessions on IBC till March 31, 2022. With respect to each course, the IPA/RVO is supposed to provide a compliance report to the IBBI within seven days after course completion. Essentially, according to the guidelines issued in July 2020, the records of every course must be maintained for at least three years.

Source: <https://ibbi.gov.in/uploads/legalframework/58782cc53126e4e8cfc18103d7d5798d.pdf>

PRESS RELEASES

IBBI Celebrated 5th Annual Day

Dr. Bibek Debroy, Chairman, Economic Advisory Council to Hon'ble Prime Minister delivered the Fifth Annual Day Lecture on "From No Exit to Easy Exit - A Case Study of IBC" as Chief Guest in Fifth Annual Day of the Insolvency and Bankruptcy Board of India (IBBI) on October 01, 2021.

In his address, Dr. Debroy noted the potential role of IBC in promoting entrepreneurship. He highlighted evolution of insolvency laws over the centuries and appreciated the modern framework of IBC. Dr. Debroy referring to the ancient Indian wisdom from Chanakya Niti noted the successful nurturing of IBBI in first five years and suggested that stage is now set right for it to further take plunge towards maturity. On this occasion, Shri Rajesh Verma, Secretary, Ministry of Corporate Affairs and Dr. Krishnamurthy Subramanian, Chief Economic Adviser, Ministry of Finance were Guests of Honour. Dr. M. S. Sahoo, Former Chairperson, IBBI and other dignitaries also expressed their views.

Source: <https://ibbi.gov.in/uploads/press/0157fc040e0e6bf2deb024217d9f6e73.pdf>

Dr. Navrang Saini, Whole Time Member, IBBI has been given additional charge as Chairperson, IBBI

The Central Government on 13th October 2021 assigned additional charge of Chairperson, Insolvency and Bankruptcy Board of India (IBBI) to Dr. Navrang Saini, Whole Time Member, IBBI, in addition to his existing

duties for a period of three months from 13th October 2021 or till the joining of a new incumbent to the post or until further orders, whichever is earlier. The same has been extended till March 05, 2022, through an order dated January 04, 2022.

Dr. Navrang Saini took charge as WTM, IBBI on 31st March 2017. He has PG degrees in Management and Law along with PhD in Corporate Law and professional qualification as a Company Secretary. Dr. Saini has served the Ministry of Corporate Affairs in various capacities. During his tenure as Registrar of Companies, Delhi, and Haryana, Dr. Saini implemented the first mission mode e-governance project of the country 'MCA21' as a major pilot project. In IBBI, he is presently looking after Registration & Monitoring Wing comprising Insolvency Professionals, Insolvency Professional Entities, Information Utilities, Insolvency Professional Agencies, Registered Valuers, Registered Valuers Organisations, Inspection, Investigation, Surveillance and Grievance Redressal.

Source: <https://ibbi.gov.in/uploads/press/6071df2124de1ad71fbc79cfdd6a1394.pdf>

IBBI published new syllabus and details for the LIE Examination-March 2022

The Insolvency and Bankruptcy Board of India 'IBBI' vide its press release dated November 30, 2021, has published the syllabus and details of the Limited Insolvency Examination (Examination) under regulation 3 (3) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 for the examination to be conducted from March 01, 2022.

In the new syllabus, maximum 70% weightage has been given to the case studies which includes Case Studies on CIRP and Liquidation, Case Studies on PPIRP, Case Studies on Individual Insolvency and Bankruptcy, Case Studies on Business and General Laws, and Case Studies on Business & General Ethics. The General Laws has been given 07% weightage while IBC, 2016 got 4% weightage and 6% weightage was given to "All Rules, Regulations and Circulars notified under the Code". The press release includes syllabus of examination including various laws and case studies, details of examination and list of important judgements of NCLT, NCLAT, High Courts, and the Supreme Court.

Source: <https://ibbi.gov.in/uploads/press/4a516765a9e826b156d77df5bbec5976.pdf>