



PEER REVIEW POLICY

Indian Institute of Insolvency Professionals of ICAI (IIPI)



PEER REVIEW POLICY

**Indian Institute of Insolvency Professionals of ICAI (IIPI)
NEW DELHI**



PEER REVIEW POLICY

Published By

Indian Institute of Insolvency Professionals of ICAI (IIPI)

ICAI Bhawan, P. O. Box No. 7100, Indraprastha Marg
New Delhi - 110002

Published in: March 2022

Website : www.iiipicai.in

Printed By

Infinity Advertising Services Pvt. Ltd.

Copyright © Indian Institute of Insolvency Professionals of ICAI (IIPI)

Email: iiipi.pub@icai.in

Disclaimer: The views and opinions expressed or implied in this report are those of professional members and do not necessarily reflect those of IIPI. IIPI is not in any way responsible for the result of any action taken on the basis of views and opinions expressed herein. Material in this report shall not be reproduced, whether in part or in whole, without the written consent of IIPI.

FOREWORD

The Indian Institute of Insolvency Professionals of ICAI (IIPI) is pleased to present the publication 'Peer Review Policy' prepared by the 'Study Group on Framework for Quality Control and Assurance Mechanism' constituted by IIPI in this regard. This publication 'Peer Review Policy' was released by CA. (Dr.) Debashish Mitra, President-ICAI/Director IIPI in the International Conference on "IBC in India & International Perspective" organized by the IIPI jointly with the IBBI on March 26, 2022.

The success of the Insolvency and Bankruptcy Code, 2016 (IBC) depends on efficacy, efficiency, trust, and confidence with which the Insolvency Professionals (IPs) perform and carry out the responsibilities entrusted on them. In this backdrop, the Peer Review Policy of IIPI is aimed at benchmarking the insolvency professional services under review to help improving performance, decision making, adoption of best practices and standards including ethics, compliance with relevant laws, established standards and principles thereby working to ensure quality of services under the IBC regime.

I sincerely appreciate and thank CA. Subodh Kumar Agrawal, IP & Past President-ICAI for steering the Study Group and providing his valuable guidance, along with members of the group who all worked hard to prepare the draft report.

I also appreciate the efforts put in by CA. Rahul Madan, Managing Director, IIPI, and the secretariat of IIPI for providing their technical and administrative support in bringing out this publication.

Further, after gaining more experience, this policy framework shall be reviewed from time to time. I am sure that the professional members of IIPI and other stakeholders will find this publication immensely helpful.

Dr. Ashok Haldia,
Chairman, IIPI-Governing Board

Date: 25th March 2022

Place: New Delhi

PREFACE

The Study Group constituted by the Indian Institute of Insolvency Professionals of ICAI (IIPI), on 'Framework for Quality Control and Assurance Mechanism' is pleased to present this report.

The Study Group was given a mandate to deliberate and recommend on (i) Peer Review Policy for Professional Members of IIPI, and (ii) Background Guidance on Quality Control. The study group, consisting of members with rich experience in managing insolvency and liquidations, after wider consultation intra-group and with other stakeholders has attempted to develop a comprehensive policy on peer review processes.

Peer Review refers to an examination of a professional's performance or practices in a particular area by other experienced professionals in the same area. However, it is not a hearing by a superior body but discussion among equals, which makes it a flexible tool. The 'Peer Review Policy' attempts to provide a comprehensive framework to benchmark the professional services under review to help improving performance, decision making, adoption of best practices and standards including ethics, compliance with relevant laws, established standards and principles. The policy relies heavily on mutual trust among the professional involved, as well as their shared confidence in the process.

The study group is thankful to IIPI for providing an opportunity to develop the knowhow as above and strengthen the IBC regime. In addition, the group expresses gratitude to several other professionals including experienced IPs, legal experts and other professionals who have contributed directly and indirectly to the development of this report on Peer Review Policy.

Subodh Kumar Agrawal, IP (Chairman)

Abhilash Lal, IP

Atul Mittal, IP

Dhinal Shah, IP

Krishan Vrind Jain, IP

Mahalingam Suresh Kumar, IP

Nitesh Kumar More, IP

Navneet Gupta, IP

Parveen Bansal, IP

Rekha Kantilal Shah, IP

Satish Gupta, IP

S Baheti, IP

Sajeve Bhushan Deora, IP

Vandana Garg, IP

Date: 25th March 2022

Place: New Delhi

CONTENTS

1.	Introduction	1
2.	Concept and Scope of Peer Review	4
3.	Objectives	6
4.	Definitions	7
5.	Role of IIIPI in Conducting Peer Review	8
6.	Criteria and Step by Step Process for Peer Review	9
7.	Duties and Obligations of IPs and IIIPI	14
8.	Documentation by Peer Reviewer and IIIPI	16
9.	Cost of Peer Review	17
10.	Periodicity of Peer Review	18
11.	Reporting to Monitoring Committee	18
12.	Review of the Peer Review Policy	18
13.	<i>Annexure A: Declaration of Confidentiality</i>	19
14.	<i>Annexure B: Fee for Peer Review</i>	21

Acronyms

AA	Adjudicating Authority
AFA	Authorisation for Assignment
CD	Corporate Debtor
CIRP	Corporate Insolvency Resolution Process
CoC	Committee of Creditors
IBBI/ Board	Insolvency and Bankruptcy Board of India
IM	Information Memorandum
IP	Insolvency professional
IRP	Interim Resolution Professional
RP	Resolution Professional

Introduction

The objective of Insolvency and Bankruptcy Code 2016 (IBC), as an economic beneficial legislation is to provide effective legal framework for resolution of distressed businesses by reorganising such businesses. IBC's first order objective is rescuing a company in distress and liquidation can be viewed only as the last resort. The second order objective is maximising value of assets of the company and the third order objective is promoting entrepreneurship, availability of credit and balancing the interests of all stakeholders. IBC provides for bifurcating the interests of the company from that of its promoters to ensure revival and continuation of the company by protecting it from its own management.

Insolvency professional (IP), in the capacity of Interim Resolution Professional (IRP)/ Resolution Professional (RP) or Liquidator is one of the key pillars as envisaged under IBC, for achieving the said objectives. The legal framework under IBC requires an IP to establish fair and transparent conduct of insolvency resolution process, casting upon an IP, inter alia, following responsibilities reflective of qualitative aspects in such processes (in a non-exhaustive manner):

Provisions under IBC, 2016

- a. Section 17 and Section 18 require that the IRP/RP is vested with the powers of the board of directors of the Corporate Debtor (CD). The officers and managers of the CD shall report to the IRP, providing him access to documents and records of the CD. The IRP/RP shall act and execute in the name and on behalf of the CD, all deeds, receipts, and other documents and take such actions, in the manner and subject to such restrictions, as may be specified by the Board.
- b. Section 20 requires that the IRP/RP shall make every endeavour to protect and preserve the value of the property of the CD and manage its operations as a going concern. IRP/RP shall have the authority to appoint professionals, to enter into contracts on behalf of the CD or to amend or modify the contracts or transactions, to raise interim finance, to issue instructions to personnel of the CD as may be necessary for keeping the CD as a going concern and to take all such actions as are necessary to keep the CD as a going concern.
- c. Section 23 requires RP to conduct the entire Corporate Insolvency Resolution Process (CIRP) and manage the operations of the CD during such process. Further RP is required to continue to manage the operations of CD after the expiry of such process, until an order approving the resolution plan under sub-section (1) of Section 31 or appointing a liquidator under Section 34 is passed by the Adjudicating Authority (AA). Further, in case there is a change in IRP to RP or from

RP to RP/Liquidator, the incumbent IP shall provide all the information, documents and records pertaining to the CD in his possession and knowledge to the successor IP.

- d. Section 28 requires IRP/RP, during the CIRP, to take prior approval of the Committee of Creditors (CoC) for certain actions.
- e. Section 29 requires that IRP/RP shall provide to the resolution applicant access to all relevant information in the form of Information Memorandum (IM) in physical and electronic form to formulate a resolution plan.
- f. Section 30 requires that the IRP/RP shall examine each resolution plan received by him and shall present the same to the CoC for approval.
- g. As per Section 208(2), an IP is obliged to take reasonable care and diligence while performing his duties, to comply with all requirements and terms and conditions specified in the byelaws of the Insolvency Professional Agency (IPA) of which he is a member; to allow the IPA to inspect his records; to submit a copy of the records of every proceeding before the AA to the Insolvency and Bankruptcy Board of India (IBBI or Board) as well as to the IPA of which he is a member; and to perform his functions in such manner and subject to such conditions as may be specified.

Provisions as per Code of Conduct under Schedule I of IBBI (IP) Regulations

- h. Clause 5 provides that an IP must maintain complete independence in his professional relationships and should conduct the insolvency resolution, liquidation or bankruptcy process, as the case may be, independent of external influences.
- i. Clause 12 provides that an IP must not conceal any material information or knowingly make a misleading statement to the IBBI, the AA or any stakeholder, as applicable.
- j. Clause 13 provides that an IP must adhere to the time limits prescribed in the IBC and the rules, regulations and guidelines thereunder for insolvency resolution, liquidation or bankruptcy process, as the case may be, and must carefully plan his actions, and promptly communicate with all stakeholders involved for the timely discharge of his duties.
- k. Clause 15 provides that an IP must make efforts to ensure that all communication to the stakeholders, whether in the form of notices, reports, updates, directions, or clarifications, is made well in advance and in a manner which is simple, clear, and easily understood by the recipients.
- l. Clause 16 provides that an IP must maintain written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained to sufficiently enable a reasonable person to take a view on the appropriateness of his decisions and actions.

Monitoring by Insolvency Professional Agency (IPA)

- m. The Code/IBC under Section 204(c) mandates monitoring by IPA of the performance of IPs with respect to legal compliance and empowers IPAs to call for information and records.
- n. Clause 8 of IBBI (Model byelaws and Governing Board of IPAs) Regulations 2016, provide for constitution of Monitoring Committee by an IPA. Further, clause 15 of such regulations provide for formulation of Monitoring Policy by an IPA for the purpose.
- o. The objective of monitoring of IPs is to ascertain whether the conduct of IPs is in overall interest of the stakeholders, CD as going concern and to ensure that the position of trust held by IPs is not abused by them and in cases where it is, to ensure appropriate action is taken.

Inspections of IPs by IBBI and IPA

- p. Section 196(1) of the IBC empowers IBBI to carry out inspections and investigations, monitor the performance and call for any information or records, inter alia, from IPs.
- q. As per Section 208 (2) (c) of the IBC, IPAs are authorized to conduct the inspection of IPs enrolled with it.
- r. Further as per Clause 18 of the Code of Conduct an IP must appear, co-operate and be available for inspections and investigations carried out by the IBBI, any person authorised by the IBBI or the IPA with which he is enrolled.

In view of many duties and responsibilities cast upon IPs, it is of paramount importance for an IP, whether part of an IPE or not, to observe and maintain high standards of quality in connection with any professional assignment. Such approach shall enthruse confidence in other stakeholders about IP's services on one hand and support IP to face any regulatory or legal challenge, on the other. Moreover, IP should be seen to be following such high standards of quality from third person's perspective. In this connection, an independent review of services by third person, often a peer-practitioner rather than a regulator, can serve the desired purpose. **This Peer Review mechanism is a proactive, and pre-emptive measure by IPs to enthruse confidence in stakeholders and regulator. Though this mechanism is proposed to be voluntary for smaller sized practitioners, it is proposed to make the mechanism mandatory for certain category of IPs as mentioned elsewhere in this policy document.**



Concept and Scope of Peer Review

The term 'peer' means a person of similar standing. The term 'review' means re-examination or retrospective evaluation of the subject matter. In generality, for a professional, the term "peer review" would mean review of the work done by a professional, by another member of the same profession with similar standing.

Peer review is basically an examination of a professional's performance or practices in a particular area by other professional in the same area. The objective of the exercise is to benchmark the professional services under review to help improving performance, decision making, adoption of best practices and standards including ethics, compliance with relevant laws, established standards and principles. The system relies heavily on mutual trust among the professional involved, as well as their shared confidence in the process.

The peer review is a discussion among equals, not a hearing by a superior body that will hand down a judgement or punishment. This makes it a more flexible tool, a professional may be more willing to accept criticism, if both sides know it does not commit them to a rigid position or obligatory course of action.

Peer Review process is based on the principle of benchmarking while systematically reviewing the procedures adopted and records maintained in compliance with the IBC and rules, regulations, guidelines, circulars issued thereunder, while carrying out professional services and responsibilities by IPs to ensure and sustain quality.

IP's Peer review is the evaluation of work of the IP under review by one or more IP members with similar competence. Such peer review focuses on reviewing the performance of IP, by seeing whether:

- a. Complying with technical, professional and ethical standards as applicable including other regulatory requirements thereto;
- b. Putting in place proper systems including documentation thereof, to amply demonstrate the transparency and quality services to all stakeholders; and
- c. Preparation of Reports/Time-sheets, office infrastructure, usage of technology, assessment of professional fee, knowledge upgradation, communication with stakeholders, engagement of professionals, support services from IPEs/ professionals, preservation of records, etc.

Moreover, a peer review process may aid stakeholders in building reliability and credibility of the professional services rendered by the respective IP appointed for a particular assignment under IBC. Peer review is primarily directed towards ensuring as well as enhancing the quality and standardized (to the extent possible) professional services by IPs. Peer Review is to be conducted by an independent evaluator known as a Peer Reviewer.

While carrying out regular/event-based inspections of members by IIIPI, the Inspection Authority shall accord due regard to successful peer-review having been undertaken by the concerned reviewed IP, subject to fulfilling requirements of inspection policy and other guidelines as prescribed by IBBI. However, during the course of peer review, IIIPI shall not be directly involved but shall have access to questionnaire, reports (provisional/final) between the reviewed and reviewer IPs, as provided for in this policy document.



Objectives

The purpose of the Peer Review Policy is to provide a framework for planning, performing, reporting and administration of the Peer Review processes. Peer Review process is intended to review and benchmark the quality control framework of the IPs of IIIPI as well as proper and consistent application of such control frameworks across engagement samples selected for review. Peer Review is to be undertaken by IPs on voluntary or compulsory basis as prescribed in this policy document.

The main objective of Peer Review is to benchmark the activities undertaken by the professional members of IIIPI under IBC and broadly includes the followings:

- a. Adhering to the provisions of the IBC, rules, regulations and guidelines issued thereunder, the byelaws, the Code of Conduct and directions given by IBBI/ Governing Board of IIIPI or any other Statutory Body;
- b. Complying with Technical, Professional and Ethical Standards as applicable including other regulatory requirements thereto; and
- c. Putting in place proper systems including documentation thereof, to amply demonstrate the transparency and quality services to all stakeholders;
- d. Preparation of Reports/Timesheets, office infrastructure, usage of technology, assessment of professional fee, knowledge upgradation, communication with stakeholders, engagement of professionals, support services from IPEs/ professionals, preservation of records, etc.;

In this policy the framework and terms of reference under which Peer Review is to be conducted, have been specified. The implementation of the objectives of this policy is to be ensured both in letter and spirit during a Peer Review Process.



Definitions

In this policy, the following terms have the meanings attributed below:

- (a) *“Assignment” means professional engagement under the IBC in the capacity of an IRP or RP or Liquidator or Voluntary Liquidator or Bankruptcy Trustee or Authorized Representative (AR).*
- (b) *“Byelaws” means Byelaws of the Indian Institute of Insolvency Professionals of ICAI (IIPI) adopted based on the IBBI (Model Byelaws and Governing Body of Insolvency Professional Agencies) Regulations 2016;*
- (c) *“Code/IBC” means the Insolvency and Bankruptcy Code, 2016;*
- (d) *“Governing Board” means the Board of Directors of IIPI constituted under clause 4 of the Byelaws of IIPI;*
- (e) *“IBBI” means the Insolvency and Bankruptcy Board of India established under section 188 of the Insolvency and Bankruptcy Code, 2016;*
- (f) *“IIPI” means the Indian Institute of Insolvency Professionals of ICAI (IIPI), a section 8 Company, registered with Insolvency and Bankruptcy Board of India;*
- (g) *“Member” means an individual who is enrolled with IIPI and/or registered with IBBI;*
- (h) *“Peer Review” means an examination and review of the systems and procedures to determine whether the same have been put in place by the IP members of IIPI for ensuring the quality of professional services as envisaged by the provisions of the Code rules, regulations, guidelines issued there-under, the bye-laws, the Code of Conduct, directions, standards and best practices as applicable and whether the same were consistently applied during the assignment/period under review;*
- (i) *“Peer Reviewer” means an IP member of IIPI empaneled on the Peer Reviewers’ expert panel specifically constituted by IIPI;*
- (j) *For definition of other terms used in this policy document but not defined under this clause, the Code and/or Regulations made thereunder should be referred to.*



Role of IIIPI in Conducting Peer Review

This Peer Review policy shall be applicable to all IP members who wish to subject themselves to peer review on voluntary basis. The Peer Review would be carried out only by the reviewer-members of the IIIPI, on voluntary or compulsory basis as prescribed in this policy document.

The Role of IIIPI in conducting peer reviews by professional members, shall be of a facilitator by providing framework for empanelling Peer Reviewers, reporting mechanism, payment of fees and certification in respect of peer reviews, as outlined in following paras. The functioning of peer review policy and mechanism shall be monitored by nodal officer under supervision of Monitoring Committee of IIIPI. Therefore, the policy framework (voluntary/compulsory) for peer review as provided by IIIPI shall enable an IP to:

- a. Initiate the peer review of services undertaken during specified past period, on voluntary basis or compulsory basis;
- b. Depending upon the criteria viz. handling or having handled ten or more CIRP/ Liquidations undertaken during specified past period for peer review (upto 3 years), initiate the peer review of services on compulsory basis. The initial criterion for compulsory peer review as above, shall be reviewed for lowering such criteria, from time to time.
- c. Enlisting the services of a Peer Reviewer from the panel of IIIPI;
- d. Pay the cost for such review to Reviewer IP, after clearance of report from IIIPI; and
- e. Get the certificate from IIIPI after having carried out such review successfully.



Criteria and Step by Step Process for Peer Review

A. Standards and criteria against which the IP's performance shall be reviewed

During Peer-Review exercise, IP's performance shall be reviewed upon the following parameters:

- a. Quality of Records and Documentation maintained;
- b. Adherence to relevant laws, rules, regulations and guidelines and amendments made there under from time to time;
- c. Adherence to standards, best practices, and guidance notes, as applicable;
- d. Methods and approaches applied;
- e. Quality of communication with stakeholders, working papers;
- f. Procedure for maintaining confidentiality of the information/documents;
- g. Procedure for storage of the documents/information;
- h. Independence, impartiality of the IP in conducting assignment;
- i. Complaint's handling procedure;
- j. Conflict of Interest checks;
- k. Status of Disciplinary/Grievance against IP;
- l. Corrective steps after inspection by regulators, if any.

B. Formation of Peer Reviewers' Panel by IIIPI

The peer review shall be conducted by IP members of IIIPI, empaneled specifically for the purpose. Following guidelines shall apply while forming/selecting expert panel of Peer Reviewers:

- a. To be eligible as a peer reviewer, s/he must be:
 - i. the Insolvency Professional Member of IIIPI;
 - ii. having experience of completing at least 5 CIRP/Liquidation assignments
 - iii. expert in the specified field/discipline/industry;
 - iv. preferably holding a valid 'Authorisation for Assignment' (AFA) on the date of application;
 - v. having no identified conflict of interest in the assignments carried by the IPs under review;
 - vi. should have undergone the requisite orientation for Peer Review as prescribed by IIIPI.

- b. The panel shall be constituted by following a proper selection procedure by floating Expression of Interest on the Website of IIIPI. The selection of the IPs as peer reviewers shall be coordinated by nodal officer under supervision of Monitoring Committee of IIIPI.
- c. A member on being appointed as Reviewer shall be required to furnish a Declaration of Confidentiality as per **Annexure A** to this policy, while giving consent for appointment as a Peer Reviewer.
- d. A member shall not be eligible for being appointed as a reviewer, if:
 - i. he has been declared to be of unsound mind;
 - ii. he is an undischarged bankrupt, or has applied to be adjudicated as a bankrupt;
 - iii. is a person not resident in India;
 - iv. has been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence;
 - v. has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more; and
 - vi. is not a fit and proper person in terms of provisions of IBC 2016 and regulations thereunder.

C. Step by Step Process for Peer Review

The Peer Review process will include following stages:

- a. Appointment of Peer Reviewer
- b. Assessment
- c. Reporting
- d. Discussion/Communication of Findings
- e. Final Peer Review Report by the Reviewer
- f. Issuance of Peer Review Certificate.

a. Stage I: Application for and Appointment of Peer Reviewer

- (I) The IIIPI empanels the peer reviewer for conducting peer review for the specified period.
- (II) While voluntarily/compulsorily applying for getting Peer-Reviewed, a detailed declaration cum questionnaire in the form approved by IIIPI, shall be submitted by such IP.

- (III) Based on the questionnaire received from IP applying for Peer-Review and experience of empanelled reviewers, a list of three Reviewer IPs shall be identified and communicated by IIIPI to the applying IP.
- (IV) Applying IP shall select one out of three Reviewers and intimate to IIIPI within 7 days of receipt of the names.
- (V) IIIPI shall intimate the Reviewer so selected and seek his consent within 7 days.

b. Stage II: Assessment

The Reviewer IP and to-be-Reviewed IP shall endeavour to work cooperatively to identify, analyse and address issues during the peer review exercise. The Reviewer IP shall have advisory role in assisting the Reviewed IP to address the issues emerged while conducting of the peer review. This is the phase during which areas for possible improvement shall also be analysed and recorded. The following matters, *inter-alia*, shall be taken care:

- (I) Whether the assignment under review has been done adhering to the provisions of the Code, rules, regulations and guidelines issued there-under, the byelaws, the Code of Conduct and directions given by IBBI/ Governing Board of IIIPI or any other Statutory Body.
- (II) Whether the IP has complied with technical, professional and ethical standards, including best practices as applicable including other regulatory requirements thereto; and
- (III) Whether IP has placed proper and adequate systems including documentation thereof, to amply demonstrate the transparency and quality services to all stakeholders.
- (IV) Whether the IP has in place and maintained the Reports/Time-sheets, proper infrastructure including the support staff, office infrastructure, usage of technology, assessment of professional fee, knowledge upgradation, communication with stakeholders, engagement of professionals, support services from IPEs/ professionals, preservation of records, etc.
- (V) During the review process, reviewer shall review the quality control framework as well as proper and consistent application of such control frameworks across completed assignments, and all completed stages of ongoing assignments during the period of review. The reviewer, in order to make an opinion on the aforesaid requirement, shall draw a sample for carrying out the due diligence basis the response to the questionnaire from the Reviewed IP.
- (VI) While deciding the sample size as referred above, the reviewer should attempt to choose an appropriate number of assignments undertaken/being undertaken

by the reviewed IP, which should be reflective of underlying complexity and size of CIRP. However, within each assignment so chosen as part of sample, all stages and activities/transactions there under should be examined/reviewed. The sample size as indicated above, may be increased by the reviewer, if the situation so warrants during the course of Peer- Review exercise.

c. Stage III: Reporting

IPs' peer review process includes benchmarking the similar work by one or more IP members (peers) with that of the IP under review. An IP's peer review focuses on the performance of IP, with a view to improving:

- (I) Quality of Records and Documentation maintained.
- (II) Reporting and compliances done at IIIPI, IBBI, Adjudicating Authority and any other statutory Body.
- (III) Upholding Technical, Professional and Ethical Standards.
- (IV) Adherence with Code, relevant laws, regulations, rules, guidelines, Circulars, best practices and amendments made there under from time to time.
- (V) Methodologies and approaches adopted for demonstrating the transparency and quality services to all stakeholders.
- (VI) Infrastructure, team size/support services.
- (VII) Any adverse order/warnings/advisory from IIIPI/IBBI/ statutory Body.
- (VII) Complaints Handling Procedure.
- (IX) 'Conflict of Interest' checks.

d. Stage IV: Discussion/Communication of Findings

- (I) After completing the review, the reviewer shall share a preliminary report with Reviewed IP marking copy on email to the nodal officer of IIIPI, quoting his findings and deficiency in the systems and procedures adopted by IP.
- (II) The Reviewed IP within seven working days from receipt of the preliminary report from the peer reviewer, shall submit the feedback to the reviewer, in respect of deficiency(ies) noticed, marking copy on email to the nodal officer of IIIPI.
- (III) The Reviewer IP shall finalise the report within seven working days of the receipt of the submissions against the preliminary report and submit the same to the nodal officer of IIIPI marking copy to the Reviewed IP. Such report should take care of requirements as mentioned in Stage V below.

e. Stage V: Final Peer Review Report by the Reviewer

- (I) On receipt of responses/replies from the Reviewed IP, if the Reviewer is satisfied, he shall submit a 'satisfactory' Peer Review report to the IIIPI along with his initial findings, response by the IP and the way the responses have been dealt with.
- (II) However, if the Reviewer is not satisfied, he shall submit a 'qualified report' to IIIPI along with the reasons thereof.
- (III) In the case of 'qualified report', the concerned Reviewed IP shall be eligible to apply for 'Follow-on' Review, after a period of six months from the date of issue of 'qualified report' as above. Follow-on Review shall preferably be conducted by a different Reviewer.
- (IV) The Reviewer and Reviewed IPs shall mutually co-operate and ensure that the entire review process is completed within 60 days from the date of appointment of Peer Reviewer.

f. Stage VI: Issuance of Peer Review Certificate

On receipt of the satisfactory Peer Review Report, IIIPI shall within three months issue a Peer Review Certificate to the Reviewed IP mentioning the validity period therein viz. three years at a time, from the date of issuance of such certificate.



Duties and Obligations of IPs and IIIPI

The set of principles which shall be observed by the Reviewer IP, the Reviewed IP and IIIPI for the purposes of conducting Peer Review, have been listed below:

a. The Reviewed IP shall:

- I. co-operate with the Reviewer IP.
- II. make documents, information and the data available to the Reviewer IP by himself or through his staff members.
- III. exhibit qualities of transparency, value sharing, mutual trust, commitment, and credibility.
- IV. respond to all the questions and other relevant requests for self-assessment.
- V. willingly shall take part in discussions with the Reviewing IP.
- VI. where any information or matter relevant is recorded otherwise than in a legible form, provide and present to the Reviewer IP a reproduction of any such information or matter, or of the relevant part of it in a legible form, with a translation in English or Hindi, if the matter is in any other language, and if such translation is requested for by such Reviewer. The Reviewed IP shall be responsible and accountable for the accuracy and truthfulness of the translation so provided.
- VII. allow on-site visits by the Reviewer IP or their authorised representatives, if needed.

b. The Reviewer IP shall:

- I. be objective and fair.
- II. be free from any influence or any interest that would undermine the credibility of the peer review mechanism.
- III. exhibit qualities of transparency, value sharing, mutual trust, commitment, and credibility.
- IV. have systematic exchange of information and views during Peer Review process with the Reviewed IP.
- V. not take any extracts of the Reviewed IP's records examined by him while conducting Peer Review, as a part of his working papers.
- VI. complete the Review within the prescribed time frame and submit the report to IIIPI.

- VII. document all his working papers and submit a copy of his working papers to IIIPI, if called for by IIIPI within 18 months of submission of Peer Review report.
- VIII. maintain confidentiality of the all the data of the Reviewed IP and their stakeholders. Adverse observations, if any, should only be shared with IIIPI.

c. IIIPI shall:

- I. support the process of Peer Review, including by providing online platform for facilitating applications by Reviewer IPs for empanelment, applications by IPs for initiating their Peer Review, issuance of certificates, etc.
- II. appoint Peer Reviewer.
- III. stimulate discussions between the Reviewed IP and the Reviewing IP.
- IV. maintain continuity of the Peer Review process.
- V. address grievance between the parties during Peer Review, if any.



Documentation by Peer Reviewer and IIIPI

- a. On completion of Peer Review process, the IIIPI is required to store the relevant documents in a digital manner for a period of 8 years, having due regard for:
 - I. ensuring the privacy of members and confidentiality of information received, except when disclosure of information is required by the Board or by law;
 - II. in a non-discriminatory; and
 - III. with proper safeguards, including Disaster Recovery Mechanism procedures.
- b. The following documents shall be stored by IIIPI, as referred in (a) above.
 - I. Checklist for peer review- The checklist for each Peer Review shall be prepared and filled by Peer Reviewer, commenting upon the following parameters:
 - (i) quality of records and documentation maintained;
 - (ii) reporting and compliances done at IIIPI, IBBI, AA and any other statutory Bodies.
 - (iii) upholding technical, professional, and ethical standards;
 - (iv) adherence and compliance with Code, relevant laws, regulations, rules, guidelines, circulars, best practices, and amendments made there under from time to time;
 - (v) methodologies and approaches adopted for demonstrating the transparency and quality services to all stakeholders.
 - II. Questionnaire as sent to Reviewed IP before the initiation of Peer review exercise.
 - III. Preliminary Report- from Reviewer IP.
 - IV. Representations from Reviewed IP on the preliminary report of the peer reviewer.
 - V. Final Peer Review Report.



Cost of Peer Review

- a. The fees for Peer Review and limit for out-of-pocket expenses payable to the Peer Reviewer, shall be decided by the IIIPI from time to time and is shown in the ***Annexure B***.
- b. The criterion of annual gross revenue earned by reviewed IP, for arriving at the applicable fee, shall be inclusive of fee of IPE in the concerned assignment.
- c. Such fee and expenses shall be paid by Reviewed IP, as mentioned hereinafter.
- d. On completion of Peer Review, the Reviewer shall send the final clean report/ Qualified Report, as the case may be, to the nodal officer of the IIIPI. The nodal officer, after confirming that there is no discrepancy in the documents submitted by the Reviewer, shall direct the Reviewer to raise an invoice on the Reviewed IP.
- e. Such invoice as referred above, shall be shared by reviewer IP with IIIPI. The IIIPI shall intimate the same to reviewed IP.
- f. The amount shall be paid by the Reviewed IP to IIIPI within 15 days of receipt of intimation (along with copy of invoice) from IIIPI. Along with the fee/expenses as above, The Reviewed IP shall also pay to IIIPI, an additional fee of ₹ 5,000/- (or any other amount as decided by IIIPI from time to time) towards meeting administrative expenses for peer review.
- g. IIIPI shall remit the fee/expenses as per invoice of Reviewer IP within seven days of receipt of such funds as above.
- h. In case of non-payment of fee, IIIPI reserves the right to withhold the Peer Review Certificate of Reviewed IP.
- i. In the event the Reviewer does not submit the report or submits the report with unreasonable delay, IIIPI reserves the right to remove such reviewer's name from the panel. Further, IIIPI may bar such reviewer from getting so empanelled for a specified period.



10

Periodicity of Peer Review

- a. In case of a member with registration more than three years old, period of peer review shall be from the end-date covered under the last peer review till end of preceding completed financial year; or preceding three years, whichever is less.

Illustration: *If an IP having commenced practice in financial year 2016-17, initiates peer review in financial year 2022-23, the period of peer review shall be FY 19-20, FY 20-21 and FY 21-22. Period prior to FY 19-20 shall not be covered.*

- b. In case of a member with registration less than three years old, period of peer review shall be from the date of registration till end of preceding completed financial year.



11

Reporting to Monitoring Committee

- a. The nodal officer of IIIPI shall submit a gist of peer reviews carried out and findings therein, from time to time and at least on quarterly basis, with the Monitoring Committee of IIIPI.



12

Review of the Peer Review Policy

- a. The implementation of the Peer Review Policy will be monitored and reviewed by the Monitoring Committee of IIIPI from time to time and at least annually.
- b. Upon the review by Monitoring Committee, any amendment in this policy, other than minor/cosmetics changes, shall be subject to the approval from Governing Board of IIIPI.



Declaration of Confidentiality

In accordance with the Peer Review policy, this Declaration of Confidentiality is to be individually filled in and signed by each of the persons who are responsible for the conduct of Peer Review i.e., Reviewer and his assistants. The Reviewer shall be responsible for taking this undertaking from all those persons who assist him or are likely to assist him in conducting Peer Reviews and shall send the same to IIIPI. The duly filled in and signed statement of Confidentiality shall be filed by the Reviewer and his assistants for each Review undertaken by them.

To

The Nodal Officer (Peer Review),
The Indian Institute of Insolvency Professionals of ICAI (IIIPI)
ICAI Bhawan, A-29, Sector 62
Noida.

Sir/Madam,

I, hereby declare that I am aware of the need for confidentiality in the conduct of Peer Reviews. I undertake and promise that in so far as any or all of the following relate to me or are brought to my knowledge/attention, in any manner whatsoever and when so ever, I shall ensure that:

- a. Full confidentiality of the working papers shall always be maintained at all times so that unauthorized access is not gained by anyone.
- b. The Reviewed IP's procedures shall not be disclosed to any third party except as provided under this Statement.
- c. Any information with regard to any matter coming to my knowledge in the performance or in assisting in the performance of any function during the conduct of Peer Reviews shall not be disclosed to any person except as provided under this Statement.
- d. Access shall not be given to any person other than as required under the Peer Review Policy, to any record, document or any other material, in any form which is in my possession, or under my control, by virtue of my being or having been so appointed or my having performed or having assisted any other person in the performance of such a function.
- e. I or any of my partners have no obligation and no direct or indirect conflict of interest with the Reviewed IP.

- f. I shall not accept any professional assignment from the Reviewed IP for a period of two years from the completion of peer review assignment. Further, I have not accepted any professional assignment from the Reviewed IP for a period of two years before the date of appointment as reviewer.
- g. No Disciplinary action / proceeding are pending against me.
- h. I have not been found guilty of professional or other misconduct by the IBBI or IIPAI at any time.
- i. I have not been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment.

I understand that any breach of the provisions regarding confidentiality as contained in the Peer Review Policy will be considered as gross negligence and make me liable to appropriate disciplinary action.

Signature:

Name:

Designation:

Membership No.

Name of Reviewed IP:

Date:

Place:



Fee for Peer Review

The fees of Peer Review for Insolvency Professional including honorarium and TA/DA for reviewer and his professional team Member (if any), shall be as under:

Average Gross receipts /Revenue of IP 'including' fees applicable/payable to IPE for the assignments under IBC (p.a) for the period under review*	Consolidated Fee
Less than ₹ 10 Lacs p.a	₹ 30,000/-
From ₹ 10 lacs to ₹ 50 Lacs p.a.	₹ 50,000/-
From ₹ 50 lacs to ₹ 1 crore p.a.	₹ 75,000/-
From ₹ 1 crore to ₹ 3 crore p.a.	₹ 1,00,000/-
From ₹ 3 crore to ₹ 5 crore p.a.	₹ 1,50,000/-
From ₹ 5 crore p.a. to ₹ 10 crore p.a	₹ 2,00,000/-
From ₹ 10 crore p.a to ₹ 20 crore p.a.	₹ 3,00,000/-
From ₹ 20 crore p.a to ₹ 30 crore p.a.	₹ 4,00,000/-
Above ₹ 30 crore p.a.	₹ 5,00,000/-

The fees of Peer Review are to be calculated based on average gross receipts/ Revenue earned by the IP including the Fee applicable/payable to IPE in the assignments during the period of review. The average gross receipts/revenue of IP and fees applicable/payable to IPE for the assignments under IBC (Per annum) for the period under review will determine the fees of peer review as per the table above. Peer Review is a one-time exercise for the period covered under review and therefore the fees payable for the services is a one-time fee payable for the review and not on yearly basis.

* For calculating Average gross receipts/revenue of IP including fee applicable/payable to IPE in all assignments under IBC (Per Annum), the sum total of such gross receipts/revenue for all the periods under review shall be divided by number of years under review.





Indian Institute of Insolvency Professionals of ICAI (IIPI)

(A Section 8 Company & Wholly Owned Subsidiary of ICAI and Registered as an IPA with IBBI)

Regd. Office: Post Box No: 7100, ICAI Bhawan, Indraprastha Marg, New Delhi - 110002

Admin. Office: ICAI Bhawan, 8th Floor, Hostel Block, A-29, Sector-62, Noida - 201309

 +91 120 2975680/81/82/83,  ipa@icai.in,  www.iiipicai.in