

IIIP-ICAI invites your feedback on 'Avoidance Transactions Under IBC'

The legal framework under IBC requires IPs to establish fair and transparent conduct of insolvency resolution process, casting upon an IP many responsibilities which are onerous at times. Such responsibilities, inter alia, include forming opinion, determining the amounts involved and filing application to Adjudicating Authority in respect of preferential, undervalued, extortionate and fraudulent transactions or PUFEE transactions. Such exercise is intended to extract or disgorge the value from the erstwhile management or other wrongful beneficiaries in the direction of achieving value maximization for CD's business/assets. An IP is required to carry out transaction and forensic audit of CD's books of accounts, to establish and manage the requisite process. It is understood that after the jurisprudence is settled on the basic provisions of IBC law, the next wave of litigation and resultant jurisprudence shall be in respect of avoidance of PUFEE transactions.

It is however, observed that in last over 5 years' period despite institution of ~700 PUFEE applications filed in NCLT involving over Rs.2 lac crore worth of dues, very few (about 100) have been adjudicated upon. The challenges include delays in admission, adjudication, and recovery proceedings. It is therefore imperative to analyze the contributing factors of such delays and accordingly ideate for improvement in dispensation/outcome.

With above backdrop, Indian Institute of Insolvency Professionals of ICAI 'IIPI' has formulated a study group to understand and analyze the underlying reasons contributing to delays or sub-optimal outcomes while suggesting ways to tackle such challenges in future. In this regards a survey is being conducted by IIPI to gather data from IP members to analyze the above.

Please click the link given below and submit your responses to questionnaire by **08th June, 2022**. *Kindly note that responses can be submitted anonymously.*

<https://forms.office.com/Pages/ResponsePage.aspx?id=DOHFOzhjoU6NJ-O1tggEOn5xP4Zp9hBLowHNIS-SLflUQzZDMkY1V0g0VzNNVU1PQji0RIZWNzUyRC4u>

Thanks & Regards

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