



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIPI Newsletter

July 11, 2022

Volume 07, Number 28

CONTENTS

News Update
News Roundup
Event Photos
Upcoming Events



IBBI (Insolvency Professional Agencies) (Amendment) Regulations, 2022

The IBBI on July 4, 2022, notified that the disciplinary proceedings against Insolvency Professional Agencies are to be conducted as per IBBI (Inspection and Investigation) Regulations, 2017.

Though this amendment, the IBBI has substituted Regulation 8 of the Disciplinary Proceedings of the IBBI (Insolvency Professional Agencies) Regulations, 2017 with "The disciplinary proceedings shall be conducted in accordance with the provisions of the IBBI (Inspection and Investigation) Regulations, 2017."

For More Details, Please Visit:

<https://www.ibbi.gov.in/uploads/leqalframwork/7ed6c5fe677e5114ec5d1e0ccf5d2704.pdf>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBBI notified amendments to IBBI (IPs) Regulations, 2016

Through a Notification dated July 04, 2022, IBBI has inserted seven news clauses to the IBBI (IPs) Regulations, 2016 *viz.* Clause 8B, 8C, 15A, 25B, 25C, 27A, & 27 B.

As per (i) Clause 8B: IP shall disclose his relationship, if any, with the CD, other professionals engaged by him, financial creditors, interim finance providers, and Prospective Resolution Applicants (PRA) to the IPA of which he is a member, within the specified time period, (ii) Clause 8C: An IP shall ensure disclosure of the relationship, if any, of the other professionals engaged by him with himself, the CD, the FC, the interim finance provider, if any, and the PRA, to the IPA of which he is a member, within the time specified (iii) Clause 15A: An IP shall prominently state in all his communications to a stakeholder, his name, address, e-mail, registration number and validity of his/ her AFA (iv) Clause 25B: An IP shall raise bills or invoices in his name towards his fees, and such fees shall be paid to him through banking channel (v) Clause 25C: An IP shall ensure that the IPE or the professional engaged by him raises bills or invoices in their own name towards their fees, and such fees shall be paid to them through banking channel (vi) Clause 27A: An IP shall, while undertaking assignment or conducting processes, exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person complies with the applicable laws (vii) Clause 27B: An IP shall not include any amount towards any loss, including penalty, if any, in the insolvency resolution process cost or liquidation cost, incurred on account of non-compliance of any provision of the laws applicable on the corporate person.

For More Details, Please Visit: <https://www.ibbi.gov.in/uploads/leqalframwork/11dcaa983423cb22743089cf13aec4d6.pdf>

Hope you find this update helpful. Suggestions if any, may be mailed to iiipi.pub@icai.in

News Roundup

Shri Jayanti Prasad Takes Charge as WTM, IBBI on July 05

At IBBI, he is currently looking after Registration and Monitoring including Complaints and Grievance Redressal - Inspection, Investigation and Surveillance; Human Resources, Establishment, Finance & Accounts, Research & Publication and Research Guidance Group; Insolvency Ecosystem – IP, IPEs, IPAs, RVOs, IU, RV, RVEs, Examinations, Graduate and National Insolvency Program; and Advocacy – Advocacy, Knowledge Management, Partnerships, Continuing Professional Education, International Affairs and Annual Report.

Shri Prasad, a 1986 batch Indian Audit and Accounts Service officer (IA&AS), has 35 years of national and international civil services experience. He has served in various capacities with CAG, Ministry of Finance (India) and United Nations etc.

For More Details, Please Visit: <https://www.ibbi.gov.in/about/jayanti-prasad>

Interest or Claim of a partner against another partner is not protected under IBC: NCLT Mumbai

NCLT Mumbai, in the matter of *Parul A Vora Vs. Kavya Buildcon Pvt. Ltd.* has held that the IBC does not protect the interest or claim of a Partner against another Partner or the Partnership firm. In this case, the Borrower Firm owed money to the Petitioner and had committed default in its repayment. The default here was committed by the Borrower firm and not the Respondent. The court accepted the argument of the respondent that the Petitioner had neither provided any loan to it and nor had produced any document to show that the Respondent owed any financial debt to the petitioner as per the IBC, 2016.

For More Details, Please Visit: <https://www.livelaw.in/news-updates/nclt-mumbai-insolvency-and-bankruptcy-code-corporate-insolvency-resolution-process-cirp-partner-nclat-ibc-202762>

As pilots go on strike, Scandinavian Airline SAS Files for Bankruptcy

Scandinavian airline SAS, the national airline of Denmark, Norway and Sweden, has voluntarily filed for bankruptcy protection under Section 11 in the United States, after around 1000 of its pilots went on a strike. The pilots walked out citing inadequate pay and poor working conditions. They also expressed dissatisfaction with the decision by the carrier to hire new pilots to fill vacancies at its subsidiary airlines, SAS Link and SAS Connect, rather than rehiring former pilots who were laid off due to the pandemic.

For More Details, Please Visit: <https://www.reuters.com/business/aerospace-defense/airline-sas-files-us-bankruptcy-protection-2022-07-05/>



Adjudicating Authority has the power to replace a liquidator: NCLT Chennai

NCLT Chennai has held that Adjudicating Authority (AA) i.e., NCLT is vested with the power to replace the liquidator during the liquidation process of a CD under the IBC, 2016. This judgement has come in the matter of *NCLT Chennai, Axis Bank Vs. Venkata Sivakumar* (2022) on July 01, 2022.

The main issue in this case was if there was any provision under the IBC, 2016 to change/remove the liquidator and also, if the liquidator could be changed on the request of the stakeholders by the NCLT during the liquidation process. The AA placed reliance on Section 16 of the General Clauses Act, 1897 and stated that the power to appoint would also include power to suspend or dismiss. Under IBC, 2016, Section 33 and 34 grant power to the NCLT to appoint a liquidator. NCLT held that on a conjoint reading of Section 16 of the General Clauses Act, 1897 with Section 33 of IBC, 2016, it becomes clear that NCLT is vested with the power to replace the liquidator.

For More Details, Please Visit: <https://www.livelaw.in/news-updates/nclt-chennai-insolvency-and-bankruptcy-code-liquidator-corporate-insolvency-resolution-process-cirp-jeypore-sugar-203360>

Event Photographs



Shri Sudhakar Shukla, WTM-IBBI, Shri Aniket Talati, Vice- President, ICAI and CA. Subodh Aggarwal, IP, addressed Webinar on Guidance on Quality Control for IPs & Peer Review Policy organized by IIIPI on July 7, 2022.



IIIPI organizing Webinar on “Common Issues on Monitoring/Disciplinary and Launch of Mentorship Portal”

The Webinar will be held between 4 PM to 6 PM on July 15, 2022. Participating IP members will be provided CPE:1 Hour. The fee for the program is ₹500.

For More Details, Please Visit:

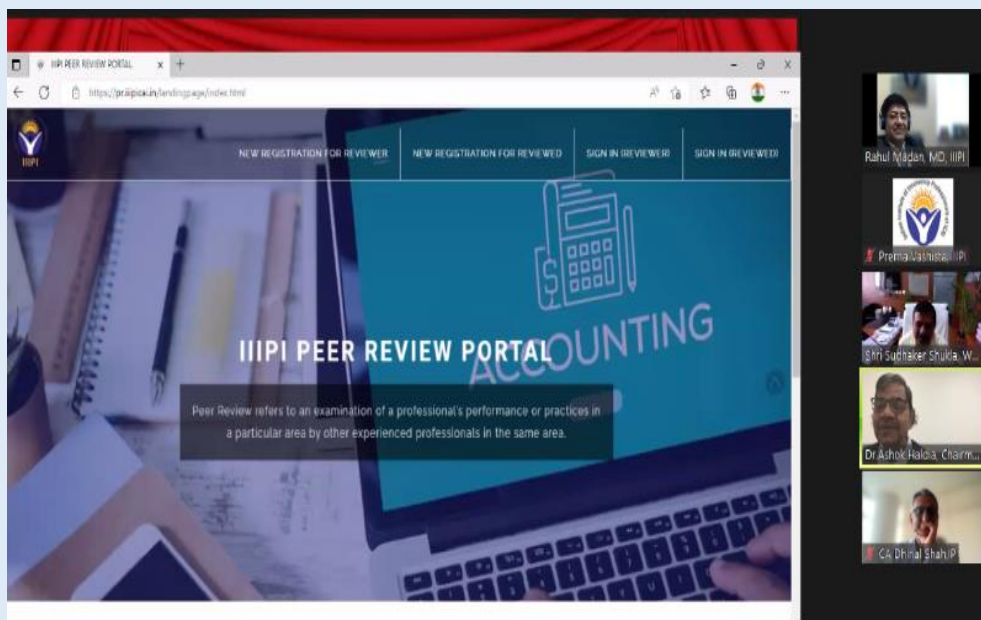
<https://www.iiipicai.in/wp-content/uploads/2022/07/15th-july-flyer-003.pdf>

LIE Preparatory Classroom (Virtual) Program to start from July 19, 2022

IIIPI jointly with Committee on Insolvency & Bankruptcy Code, ICAI is organising next LIE Preparatory Classroom (Virtual) Program from July 19, 2022. The Weekday Batch will be from July 19, 2022, to July 23, 2022 while the Weekend Batch is scheduled to start from August 5, 2022 and complete in five weekends (Friday and Saturday). Online study material of the course would be made available. The ICAI members will get CPE-15 hours. Last date to register is one day prior to the respective batch.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2022/06/Flyer-for-LIE-July-August-2022.pdf>



A snapshot of the launch of “IIIPI Peer Review Portal” on July 7, 2022. This portal can be accessed on e-Services platform of the IIIPI website.