

Indian Institute of Insolvency Professionals of ICAI (IIPI)

Mentorship Program

1. Background

Role of an Insolvency Professional (IP) as one of key pillars under IBC is multi-disciplinary and onerous at times. An IP is required to drive the CIRP under the supervision of CoC, aiming to deliver resolution of distressed asset as going concern in a time bound manner, while ensuring value maximization and balancing rights of various Stakeholders. As IRP/RP, an IP assumes the powers of Board of Directors while acting as de facto CEO of the CD and manages its business as going concern.

After initial phase of IBC over last 5 years, currently, as against 2392 registered IPs members of IIPI, about 1782 IPs have applied for AFA. The number of professionals with active/concluded assignments is about 1045. Recently, IIPI had constituted a study group on 'Enhancing role of small sized IPs' to deliberate on various measures to ensure orderly development of profession and professionals. As noted by the said study group, a mentorship program by IIPI, as a concept, is desirable for imparting practical exposure to new entrant professionals by the experienced IPs. Detailed contours of such program need to be thought through and recommended, for instance, how to enroll for such program, eligibility to act as mentor, duration and scope of such mentorship, process to be followed, etc.

IIPI, has constituted a study group with Insolvency Professionals to examine the issue and recommend a draft framework for the mentorship program applicable to the members of IIPI. The following paras provide an outline of framework for such mentorship program.

2. Objectives and Scope of Mentorship program

- A. Mentorship can be defined as the guidance provided by a mentor, especially an experience person in a particular profession or field of knowledge, to those who are new entrants to IP profession, for orderly professional development of the latter and strengthening of insolvency regime. Such dispensation can be crucial for preparing the new entrant insolvency professionals, to be able to discharge their responsibilities properly. Another crucial aspect of a mentorship program lies in its being voluntary and pro bono involving no financial consideration between the mentor and mentee.
- B. The objectives of Mentorship program are to build capacity, promote practical know how, and adoption of best practices by the participants and development of desirable attributes of professionalism in carrying out assignments under the IBC. Such best practices and scope of guidance may include:
 - Complying with Technical, Professional and Ethical Standards as applicable including other regulatory requirements thereto; and

- Putting in place proper systems including documentation thereof, to amply demonstrate the transparency and quality services to all stakeholders.
 - 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.
- C. As such the mentorship program provides a mechanism for the benefit of professionals newly registered as insolvency professionals by making available for them practical guidance from the fellow experienced professionals having dealt with cases of CIRPs /Liquidation.
- D. IIIPI shall be involved in empaneling experience members as mentors, allocating such mentor(s) to interested members as mentees, besides other related activities as specifically mentioned elsewhere.

3. Eligibility for Members joining as Mentors

- A. The prospective mentors at the time of applying for empanelment, should have experience of managing and completed at least three CIRP or Liquidation assignments under IBC.
- B. The prospective mentor should have a valid AFA in his name at the time of applying for empanelment.
- C. No adverse order, involving suspension of practice as an IP, should have been passed against such member by the Disciplinary Committee of IBBI/IIIPI. In future, if such order is ever passed, the member shall cease to be eligible as mentor and existing mentees in such cases shall be reallocated to a new mentor for the remaining period.
- D. The mentor once empaneled can voluntarily opt out of the program giving a notice of 1 month, to be able to reallocate the concerned mentees to another mentor.

4. Eligibility for Members joining as Mentees and Period of Mentorship

- A. Mentees desiring to be part of mentorship program should be members of IIIPI, having been registered with IBBI as an IP.
- B. Such members should be holding a valid AFA on the date of applying for mentorship program and should have been appointed as IRP/RP/liquidator by the order of Adjudicating Authority in at least one assignment.

- C. The period of mentorship program, post allocation of mentor, shall be for a period of six months.
- D. In case where there is any withdrawal/premature closure in case of CIRP or approval of scheme u/s 230 of the Companies Act in case of Liquidation, before the expiry of aforesaid 6 months, the mentee shall remain eligible to undergo mentorship for the remaining period.

5. *Modus Operandi and Role of IIIPI*

- A. IIIPI shall make available an email-based or online system for (i) applying as mentor or mentee (ii) intimation of allocation of mentors & (iii) mutual correspondence between mentors and mentees.
- B. Notwithstanding the eligibility norms mentioned above, IIIPI reserves right not to empanel/enroll any mentor/mentee if so required, without assigning any reasons.
- C. This program is made available for the benefit of members, without involving any cost to mentees in the initial phase. The same may however be reviewed in near future.

6. *Number of Mentees per Mentor, Turnaround Time (TAT) and manhours spent by Mentor*

- A. A maximum of five mentees at a time can be assigned to one mentor. The member seeking to empanel as mentor needs to declare to the above effect at the time of empanelment and in future as well.
- B. Since time is the essence of IBC and central to objectives enshrined thereunder, the TAT for every query should be reasonable and ordinarily should not exceed 2 working days.

7. *Confidentiality undertaking by Mentors*

- A. At the time of empanelment as mentors, the prospective mentors shall provide a confidentiality undertaking to IIIPI stating that he/she shall ensure the confidentiality of the information received from/exchanged with mentees, at all times in future.
- B. Notwithstanding such undertaking, mentees should use their discretion in sharing only relevant information which is critical to resolving the query.
- C. Moreover, mentor should desist from providing guidance on professional matters in a particular assignment where the mentor has a conflict of interest, directly or indirectly.

8. Certification to be provided by IIIPI to Mentee and Mentor

- A. Mentees shall be awarded with a certificate from IIIPI of having completed a mentorship program successfully.
- B. Such certificate shall be subject to satisfactory feedback from mentor in respect of engagement with mentor and professional conduct during such engagement.
- C. Engagement involving atleast 30 hours of mentorship during the period of six months, shall be the benchmark for such satisfactory feedback.
- D. Only in case of unsatisfactory feedback, the concerned mentee may enroll himself/herself for only one more round of mentorship program.
- E. Mentors shall be awarded with a certificate of appreciation from IIIPI after having successfully completed mentorship for at least three mentees.

9. Code of conduct

Mentors and mentees shall be subject to code of conduct or any other similar code, currently in vogue or to be effective in future.

10. Disclaimer

- A. Members are specifically informed that the views expressed by the mentors would be their personal views and not necessarily the views of the IIIPI. IIIPI or the members of the Panel, do not accept any responsibility for actions taken by the mentees based on such views/advice. Mentees are advised not to treat the views/advice by mentors as definitive recommendation(s) and to seek their independent opinion on the professional matters before taking any action/decision based on such views/advice.
- B. The members as mentee are advised to:
 - Be brief but provide full information and facts.
 - Be clear in their communication.
 - Use their discretion in sharing only relevant information which is critical to resolving the query.
 - Communication should be done from a designated email id only.

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