

## Legal Framework

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

### CIRCULAR

#### **IBBI revised format for serving a copy of the application for initiating CIRP against CD**

In exercise of the powers under clause (k) of sub-section (1) of Section 196 of the IBC, 2016, IBBI (Board) has revised the format of application to ensure filing of authentic information with the Board and further enable the Board to share information relating to the application for initiation of CIRP with the IU efficiently. The Board has also provided a step-by-step guide for submission of the application. On submission of the application online, the applicant shall get an acknowledgment. According to Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, as amended vide notification No. G.S.R. 583(E) dated September 24, 2020 published in the Gazette of India, Part II, Section 3, Sub-section (i), No. 474 dated September 24, 2020 obligates an applicant to provide a copy of the application for initiating corporate insolvency resolution process (CIRP) against a corporate debtor, inter alia, to the Board, before filing the same with the Adjudicating Authority. The applicants are encouraged to avail of this facility.

**Source:** Circular No. IBBI/LAD/58/2023 dated March 04, 2023

### NOTIFICATION

#### **IBBI gets exemption from Income Tax**

The Central Government has provided exemption to the Insolvency and Bankruptcy Board of India (IBBI) from income tax on all its earnings from FY2022-23 to FY 2026-27. Through a Gazette Notification dated March 01, 2023, the Government in exercise of the powers conferred by clause (46) of Section 10 of the Income-tax Act, 1961 (43 of 1961) has provided exemptions in respect of the following specified income arising to IBBI, namely:

- (a) Grants-in-aid received from Central Government;
- (b) Fees received under the Insolvency and Bankruptcy Code, 2016 (31 of 2016);
- (c) Fines collected under the Insolvency and Bankruptcy Code, 2016 (31 of 2016); and
- (d) Interest income accrued on (a), (b) and (c) above.



However, this exemption has been provided on the conditions that IBBI (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

**Source:** Notification No. 09/2023/F.No.300196/39/2021-ITA-I dated March 01, 2023

### PRESS RELEASE

#### **Good research on the subject of insolvency is crucial in the context of assisting the judiciary in resolving insolvency cases: NCLT President**

Research on insolvency is also important for identifying gaps in the law and areas where the law may be in need of reform, said Hon'ble Mr. Ramalingam Sudhakar, President NCLT in his inaugural address of 2<sup>nd</sup> International Research Conference on IBC on February 23, 2023.

The conference was organized by the IBBI, jointly with IIM, Bangalore from 23<sup>rd</sup> to 25<sup>th</sup> February 2023. In the end, he thanked IIM Bangalore and appreciated the efforts of IBBI for this initiative of organizing the Conference and bringing together diverse minds of knowledgeable professionals. Hon'ble Justice Kannan Ramesh, Judge, Appellate Division, Supreme Court of Singapore and Judge, Singapore International Commercial Court; Mr. Chandru K. Iyer, Hon'ble British Deputy High Commissioner; Mr. Ravi Mital, Chairperson, IBBI delivered special addresses in the inaugural session of the Conference. The inaugural session was physically attended by over 200 participants.

**Source:** Press Release No. IBBI/PR/2023/02, dated February 23, 2023.