



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

IBBI makes it mandatory for the RP to share the Report u/s 99 of the IBC to both debtor & creditor'

IBBI through a Circular dated February 12, 2024, has directed the RPs to share the report prepared in pursuance to the applications filed u/s 94 or 95 of the IBC to both debtor and creditor.

"Sub-section (10) of section 99 mandates the RP to share a copy of this report to the debtor or the creditor, as the case may be," said the IBBI. However, there has been a lack of compliance in certain cases. "Therefore, it is hereby advised that the RP shall provide a copy of the report to both debtor and creditor in all cases," added IBBI.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframwork/0ed6df8b1d8f1ef6bb762a375645a02b.pdf>



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CONTENTS

News Update
News Roundup
Upcoming Event
Event Photographs

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBBI Expert Committee Recommends Voluntary Mediation for IBC: A Balanced Approach to Enhance Efficiency

The Expert Committee constituted by the Insolvency and Bankruptcy Board of India (IBBI) to examine the scope of using mediation in respect of processes under the Insolvency and Bankruptcy Code, 2016 (IBC) has suggested the introduction of voluntary mediation as a dispute resolution mechanism under the IBC. The Committee recently submitted its report to the IBBI.

The panel has recommended a phased introduction of voluntary mediation as a dispute resolution mechanism under the IBC while maintaining the sanctity of the timelines for various existing insolvency resolution processes," said the IBBI. It further added, "the core essence of the framework is its independence and flexibility to provide room for quick incorporation of implementation learning". The panel has reportedly proposed the establishment of a dedicated and specialized NCLT-annexed insolvency mediation cell with an independent secretariat to administer, oversee, and manage the conduct of insolvency mediations. According to the IBBI, the panel has taken a cautious approach and endeavored to balance the fundamental objectives of the IBC with the autonomy for parties to voluntarily opt for the 'out-of-court' mediation process to enhance the efficiency of the insolvency resolution process. The proposed mediation framework would best operate as a self-contained blueprint within the IBC, with independent infrastructure to ensure that the objectives of the IBC are met without compromising or diluting the basic structure in terms of timelines, public rights, etc.

For More Details, Please Visit: <https://www.zeebiz.com/economy-infra/policy-initiatives/news-expert-panel-suggests-voluntary-mediation-mechanism-under-insolvency-law-276634>

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

News Roundup

IBBI provides Form for withdrawal of amount under Regulation 39 of the IBBI (VLP) Regulations, 2017

Through a Circular dated February 13, 2024, the IBBI has provided a proforma to liquidators to submit requests for withdrawal of amounts from the Corporate Voluntary Liquidation Account (CVLA) for onward distribution to stakeholders under Regulation 39 of the IBBI (Voluntary Liquidation Process) Regulations, 2017. As per the regulation, liquidators are mandated to deposit unclaimed/undistributed amounts into the CVLA and inform the IBBI in Form-G containing details regarding the stakeholders entitled to such deposited amounts. "To facilitate the request received from a stakeholder, under regulation 39(7), who claims to be entitled to any amount deposited into the CVLA for withdrawal before the dissolution of the corporate person, the liquidator shall apply to the IBBI in the Form as per Annexure, for the release of the amount for onward distribution to stakeholders," reads the Circular.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/e0eb050c966002846267b7ef7e9fd5de.pdf>

FSPs must obtain prior permission of the appropriate financial regulator for Voluntary Liquidation Process: IBBI

Through a Circular dated February 13, 2024, the IBBI has directed that the Liquidator shall ensure that if the corporate person falls under the category of Financial Service Provider (FSP), it shall declare that: (i) the category of Financial Service Providers (FSPs) has been notified by the Central Government under section 227 of the IBC, and (ii) the corporate person has obtained prior permission from the appropriate regulator. It is hereby directed that the Liquidator shall submit a copy of Form H and the final report filed before the AA as per Regulation 38 and email the order for dissolution to the IBBI, said the Circular.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/10b40f99875af3eceda569e977c2d1a6.pdf>

Genesis gets US court's approval to sell \$1.6 billion in crypto trust shares

U.S. Bankruptcy Judge Sean Lane has approved Genesis's request at court hearing in White Plains, New York, allowing the company to monetize its shares of Grayscale Bitcoin Trust, Grayscale Ethereum Trust, and Grayscale Ethereum Classic Trust. Genesis holds about 35 million shares in the bitcoin trust, worth about \$1.38 billion, and ethereum trust shares worth about \$207 million, according to court filings. It told the judge it needs to sell those shares to repay customers and avoid paying \$1.9 million in monthly fees on its trust agreements. **For More Details, Please Visit:**

<https://economictimes.indiatimes.com/tech/technology/genesis-gets-court-approval-to-sell-1-6-billion-in-crypto-trust-shares/articleshow/107719339.cms>



IBBI amends the IBBI (Liquidation Process) Regulations, 2016

To strengthen the regulatory framework of the liquidation process, the Insolvency and Bankruptcy Board of India (IBBI) through a notification dated February 13, 2024, has made certain key amendments to the IBBI (Liquidation Process) Regulations, 2016. These changes are aimed at facilitating a smoother process for liquidation, ensuring accountability, and bolstering the confidence of stakeholders in the liquidation process.

These amendments are primarily related to sub-regulation (1) of Regulation 2 B, Regulation 14, Regulation 31A, Regulation 32A, sub-regulation (2) of Regulation 33, Regulation 35, Regulation 46 (Regulation 46 A has been inserted), etc.

The newly inserted Regulation 35 (7) allows a Liquidator to reduce the reserve price by up to 25% for assets with existing valuation of the CIRP on one occasion with the approval of the Stakeholders' Consultation Committee (SCC) at any time during the process.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/790016d91e25c04925c7b57c179c9e7a.pdf>

EVENT PHOTOGRAPHS



Webinar on “Improving Interface with COC “organized by IIPI on February 16, 2024.

IIPI's 9th Batch of EDP (For IPs) Mastering “Avoidance/PUFE Forensics” Under IBC (Online) scheduled from March 05, 2024

The 09th Batch of Executive Development Program (For IPs) Mastering “Avoidance/PUFE Forensics” Under IBC (Online) will be conducted from 05th to 07th March 2024. The three days program will be of 18 hours and have CPE 12 hours for IPs. As the program is based on a ‘First Come First Serve’ basis, the interested IPs are advised to register early to avoid last-minute hurdles.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2024/02/FLYER-PUFE-EDP-9th-Batch-5th-to-7th-March-2024.pdf>