

## Legal Framework

### CIRCULARS

#### **IBBI issued “Standard Undertaking” for Restitution of Assets attached Under PMLA during Insolvency Proceedings**

The Insolvency and Bankruptcy Board of India (IBBI) has issued a circular addressing cases where the assets of a corporate debtor are attached by the Enforcement Directorate (ED) under the Prevention of Money Laundering Act, 2002 (PMLA). To enhance value realization, Insolvency Professionals (IPs) have been advised to seek restitution of such assets by filing applications before the Special Court under Sections 8(7) or 8(8) of the PMLA, accompanied by a standard undertaking formulated in consultation with the ED.

“It is hereby advised that in cases where assets of the corporate debtor are attached by the ED under the provisions under PMLA, the Insolvency Professional may file an application before the Special Court under sections 8(7) or 8(8) of the PMLA for restitution of such assets,” said IBBI in a Circular dated November 04, 2025. “Further, with a view to facilitate the expeditious disposal of such applications by the Special Courts, the IBBI, in consultation with the ED, has formulated a standard undertaking to be furnished by the Insolvency Professional along with the application for restitution of assets. The said undertaking is annexed hereto with this Circular,” added the IBBI. As per the Annexure, the IPs will be required to submit the undertakings regarding - Usage of Restituted Assets, Periodic Reporting, Disclosures in the Insolvency Process, Cooperation with ED, and Document Production. The obligations under this Undertaking shall remain effective until the approval of the resolution plan / dissolution order (as applicable) by the Adjudicating Authority.

**Source:** Circular No. IBBI/CIRP/87/2025, dated November 04, 2025.

### FACILITATION

#### **IBBI amends CPE Guidelines**

As per the amendments to the IBBI (Continuing Professional Education for Insolvency Professionals) Guidelines, an IP shall undertake a minimum of 30 credit hours of CPE each calendar year. Provided that an IP is not required to undertake any CPE in the calendar year in which he is registered. Illustration: An IP registered as on 30th June 2025 shall undertake CPE for at least 30 credit hours in a calendar year, namely, 2026, 2027, 2028, 2029 and so on. Furthermore, an IP shall undertake CPE even when his registration is suspended, or he has ceased to have an authorisation for assignment, said IBBI.



### DISCUSSION PAPERS

#### **IBBI Seeks Feedback on Revising Assignment Caps for IPs**

The Insolvency and Bankruptcy Board of India (IBBI) has issued a Discussion Paper dated August 12, 2025, seeking feedback on stakeholders to review the limit on number of assignments being handled by Insolvency Professionals (IPs).

“It is proposed that the existing assignment ceiling of 10 assignments in the capacity of RP shall also be extended to include assignments undertaken in the capacity of IRP and Liquidator of which no more than 03 shall involve admitted claims exceeding ₹1000 crore,” said IBBI in the Discussion Paper. The proposed amendments to IP Regulations, 2016 also prohibits IPs who are currently handling more than 10 assignments as IRP, RP, or Liquidator from accepting any new assignments until their active cases fall below the limit of 10. In July 2021, IBBI introduced a limit of 10 assignments for RPs.

**Source:** Discussion paper on Review of Limit on Number of Assignments being handled by IPs dated August 12, 2025.

#### **IBBI proposes to delete Clause 6 from the Code of Conduct for IPs to avoid duplicity**

Inviting comments and suggestions for retaining Clause 6 from the Code of Conduct for Insolvency Professionals (IPs) in a Discussion Paper dated August 12, 2025, the IBBI said that the proposal to delete Clause 6 stems from the argument that its provisions are already comprehensively captured in the IBBI (Liquidation Process) Regulations, 2016, and the IBBI (Bankruptcy Process for Personal Guarantors) Regulations, 2019. The problem, therefore, is the perceived duplication of the prohibition. Comments may be submitted electronically by September 01, 2025. After considering the comments, the IBBI

proposes to make regulations under section 196 of the IBC.

**Source:** *Discussion paper on deletion of Clause 6 from the Code of Conduct for Insolvency Professionals, dated August 12, 2025.*

#### **IBBI proposes making it mandatory to record the CoC's deliberations on Section 29A eligibility of the Resolution Applicants**

In a Discussion Paper dated August 06, 2025, the Insolvency and Bankruptcy Board of India (IBBI) has proposed several measures to enhance integrity of the Corporate Insolvency Resolution Process (CIRP) including recording of CoC's deliberation on Resolution Applicants (RA's) eligibility under section 29A, enhanced disclosures in Resolution Plans regarding section 32A, and invitation and submission of Resolution Plan (s) through electronic platform.

According to the IBBI, the recording of the CoC's deliberation on Section 29A eligibility of the resolution applicant by the Resolution Professional (RP) can strengthen the process in

several respects. "Firstly, it will encourage CoC members to engage more deeply in the due diligence process, including seeking additional information or clarification from the RP or the resolution applicant, where necessary. Secondly, such a framework would reduce potential litigation on eligibility-related issues under section 29A. Moreover, an explicit record of the CoC's deliberation would enhance transparency. Lastly, deliberation with the CoC would further uphold the legislative intent of the Code by promoting fair and lawful participation in the resolution process, consistent with the spirit of law under section 29A," said IBBI in the Discussion Paper. Furthermore, it is proposed to amend the CIRP Regulations to empower the IBBI to notify an online portal for activities, in relation to invitation and submission of resolution plans.

**Source:** *Discussion Paper – Measures to enhance integrity of the Corporate Insolvency Resolution Process (CIRP) dated August 06, 2025.*

**Indian Institute of Insolvency Professionals of ICAI**  
(Company formed by ICAI as per Section 8 of the Companies Act 2013)

**EXECUTIVE DEVELOPMENT PROGRAM**  
**GROUP INSOLVENCY**  
**(For IPs)**

**HIGHLIGHTS**

- UNCITRAL MODEL LAW
- CBIRC RECOMMENDATION
- CROSS-COUNTRY COMPARISON
- LANDMARK JUDGEMENTS
- CASE STUDIES

**Duration: 12 Hours (over 2 days)**  
**Mode: Online**

**CPE: 8 Hours**

**Limited Seats**

**Visit Us:** [www.iiipicai.in](http://www.iiipicai.in)

**Click to Register:** <https://app.iiipicai.in/regpayments/>

**Contact:** [ippogram@icai.in](mailto:ippogram@icai.in)  
8178995141