

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi - 110001

CIRCULAR

No. IBBI/IP/55/2022

9th November, 2022

To
All Registered Insolvency Professionals
All Recognised Insolvency Professional Entities
All Registered Insolvency Professional Agencies
The Registered Information Utility
(By mail to registered email addresses and on website of the IBBI)

Dear Sir/ Madam,

Subject: Review of Regulations

The Board had issued few circulars, from time to time, in exercise of powers under section 196 of the Insolvency and Bankruptcy Code, 2016 in order to facilitate Insolvency Professionals to carry out processes under the Code.

2. The Board conducted an exercise of review of regulations, circulars based on experience gained. It is observed that certain circulars are no longer required on account of being already provided in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 [IP Regulation] or the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 [Model Bye-Laws Regulations] or the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 [IU Regulations], as the case may be.

3. Accordingly, it has been decided to rescind circulars listed in the **Annexure**, with immediate effect.

4. You are advised to take note of the above and follow the provisions of relevant Regulations.

5. The circular is issued with the approval of competent authority.

Yours sincerely,

Sd/-
(Dilip Arjun Khandale)
Deputy General Manager
Tel: 011-23462870
Email: dilip.khandale@ibbi.gov.in

-// Annexure //

Sl. No.	Date of Issue And Circular No.	Subject	Brief of Circular	Incorporation
1	No. IP/001/2018 Dated January 3, 2018	Use of Registration Number etc.	An IP is required to prominently state in all his communications, whether by way of public announcement or otherwise to a stakeholder or to an authority, his name, address, email, Registration Number etc.	Clause 15A of 'Code of Conduct' specified in First Schedule to IP Regulations.
2	No. IP/002/2018 Dated January 3, 2018	IP to ensure compliance with provisions of the applicable laws.	IPs were directed to exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person undergoing any process under the Code complies with the applicable laws. It was further clarified that any loss, including penalty, if any, because of non-compliance of applicable laws, shall not form part of IRPC or liquidation process cost under the Code. Further, IP will be responsible for the non-compliance of applicable laws if it is because of his conduct.	Clauses 27A and 27B of 'Code of Conduct' specified in First Schedule to IP Regulations.
3	No. IP/003/2018 Dated January 3, 2018	IP not to outsource his responsibilities.	It was directed that an IP shall not outsource any of his duties and responsibilities under the Code.	Already covered under regulation 7 (2) (bb) of IP Regulations.
4	No. IP/004/2018 Dated January 16, 2018	Fees payable to IP and to other professionals appointed by the IP	The IBBI clarified that an IP shall render services for a fee which is a reasonable reflection of his work, raise bills / invoices in his name towards such fees, and such fees shall be paid to his bank account.	Part of the provisions were already covered under clauses 25, 25A, 26 and 27 of the 'Code of Conduct' specified in First Schedule to IP Regulations. Clause 25B, 25C and 26A of the 'Code of Conduct'

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			Any payment of fees for the services of an IP to any person, other than the IP, shall not form part of the IRPC. Similarly, any other professional (such as registered valuer) appointed by an IP shall raise bills / invoices in his / its name towards such fees, and such fees shall be paid to his / its bank account.	specified in First Schedule to IP Regulations has been inserted.
5	No. IP/005/2018 Dated January 16, 2018	Disclosures by IPs and other Professionals appointed by IPs conducting Resolution Processes	It was directed that an IP and every other professional appointed by the IP for a resolution process shall make certain disclosures to the IPA of which he is a member within a stipulated timeframe. The IPA was required to facilitate receipt of the disclosures and disseminate such disclosures on its website within stipulated timeframe.	Part of the provisions already covered under Regulation 40B of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 [CIRP Regulations]. Clauses 8A, 8B, 8C and 8D of the 'Code of Conduct' specified in First Schedule to IP Regulations have been inserted. Clause 6 (3) in Schedule to the Model Bye Laws Regulations have been inserted.
6	No. IP(CIRP)/007/2018 Dated February 23, 2018	Confidentiality of information relating to processes under the Code	It was directed that an IP, whether acting as IRP, RP or Liquidator, except to the extent provided in the Code and Rules, Regulations or Circulars issued thereunder, (i) shall keep every information related to the processes confidential; and (ii) shall not disclose or provide access to any such information to any unauthorised person.	Already covered in clause 21 of 'Code of Conduct' specified in First Schedule to IP Regulations.

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7	No. IBBI/IP/021/2019 Dated May 2, 2019	Surrender of Membership	It was advised that an IPA shall not ordinarily accept temporary surrender of professional membership, where the IP is conducting a process under the Code. Certain forms were stipulated.	Already covered in IP Regulations and Model Bye-Laws Regulations. With introduction of Authorisation for Assignment, the issue of temporary surrender has become redundant. In this regard, the Board has issued clarification no. IBBI/IP/2022 dated April 11, 2022
8	IPA/009/2018 Dated April 19, 2018	Annual Compliance Certificate for Insolvency Professional Agencies	Stipulations regarding annual compliance certificate to be submitted by IPAs to IBBI were issued.	Upon rescission of the circular, revised circular containing the format of annual compliance certificate aligning with latest Regulations, issued vide reference no. IBBI/IPA/54/2022 on 2 nd November, 2022 under Regulation 7(3) of Model Bye-Laws amended.
9	No. IBBI/IPA/43/2021 Dated July 28, 2021	Monetary Penalties to be imposed by an Insolvency Professional Agency	It issued directions upon IPAs to amend their Bye-laws to provide for the maximum and minimum monetary penalty, in stipulated circumstances.	Clause 24(2)(d) of the schedule to the Model Bye-Laws Regulations has been amended.
10	No: LA/010/2018 Dated April 23, 2018	Commencement of Disciplinary Proceeding	It was clarified that (i) a disciplinary proceeding is considered as pending against an IP from the time he has been issued a show cause notice by IBBI till its disposal by the disciplinary committee; and (ii) an IP who has been issued a show cause notice shall not accept any fresh assignment as IRP, RP, liquidator, or a bankruptcy trustee under the Code.	Already provided in clause 23A of the schedule stipulated in the Model Bye-Laws Regulations. Explanation has been inserted to aforesaid clause.
11	No. IBBI/IU/025/2019	Statutory Repositories under regulation	The MCA 21 database of the Ministry of Corporate Affairs and the Central	Regulation 21(2)(c)(ii) of IU Regulations has been

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	Dated September 7, 2019	21(2)(c)(ii) of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017	Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) registry were approved as repositories for the purposes of regulation 21(2)(c)(ii) of IU Regulations.	amended to include the provisions of the circular.