

Index --[Amended upto 11.10.2018]

Regulation No.	Description	Slide No.
	Index	01--02
01—02	Short Title and Commencement	03
03	Insolvency Examinations	04
	Registration of Insolvency Professionals	
04	Eligibility	05--08
05	Qualifications and experience	09—10
06	Application for certificate of registration	11
07	Certificate of registration	12—16
08	Refusal to grant certificate	17—18
09	Registration for a limited period	19—21
10	Temporary Surrender	22
11	Disciplinary proceedings	23--28
12--15	Recognition of Insolvency Professional Entities	29--34

Index continued

Regulation No.	RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES	Slide No.
----------------	---	-----------

FIRST SCHEDULE

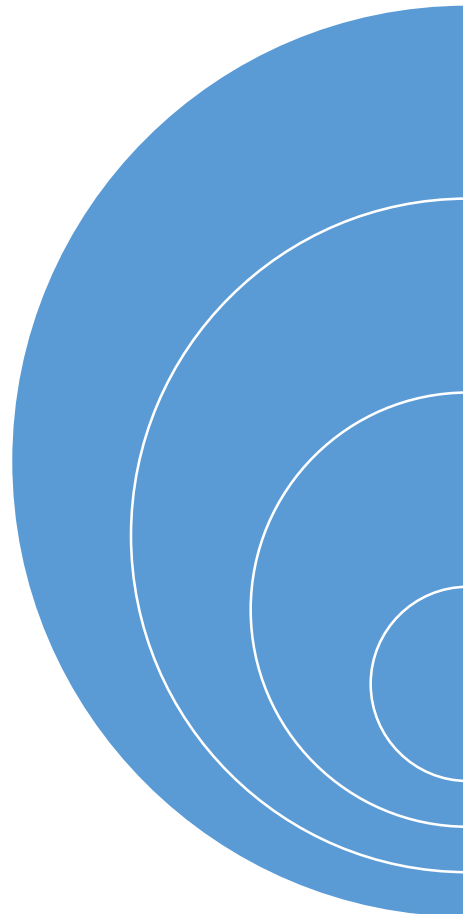
[Under Regulation 7(2)(h)]

CODE OF CONDUCT FOR INSOLVENCY PROFESSIONALS

Integrity and Objectivity	35
Independence and impartiality	36—37
Professional competence	38
Timeliness.	39
Information management	40—41
Confidentiality	42
Occupation, employability and restrictions	43
Remuneration and costs	44
Gifts and hospitality	45

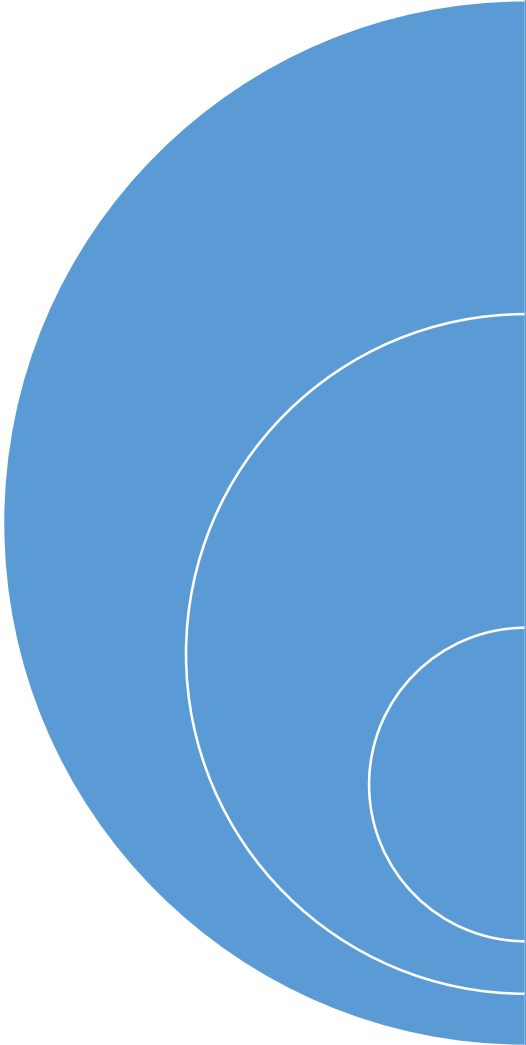
INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY PROFESSIONALS) REGULATIONS, 2016

[AMENDED UPTO 11.10.2018]



Short title and commencement.
1.
(1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.
(2) These Regulations shall come into force on 29th November, 2016.

CHAPTER II INSOLVENCY EXAMINATIONS



3. (1) The Board shall, either on its own or through a designated agency, conduct a '**National Insolvency Examination**' in such a manner and at such frequency, as may be specified, to test the knowledge and practical skills of individuals **in the areas of insolvency, bankruptcy and allied subjects**

3(2) The Board shall, either on its own or through a designated agency, conduct a '**Limited Insolvency Examination**' to test the knowledge and application of knowledge of individuals in the areas of insolvency, bankruptcy and allied subjects.

3(3)The syllabus, format, qualifying marks and frequency of the Limited Insolvency Examination shall be published on the website of the Board at least three months before the examination.]

CHAPTER III

REGISTRATION OF INSOLVENCY PROFESSIONALS--Eligibility

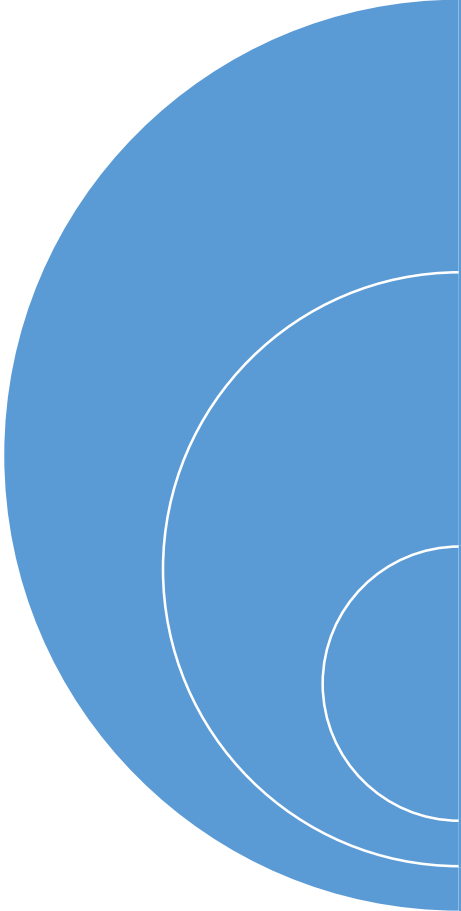


4. No individual shall be eligible to be registered as an insolvency professional if he-

(a) is a minor;

(b) is not a person resident in India;

REGISTRATION OF INSOLVENCY PROFESSIONALS--Eligibility

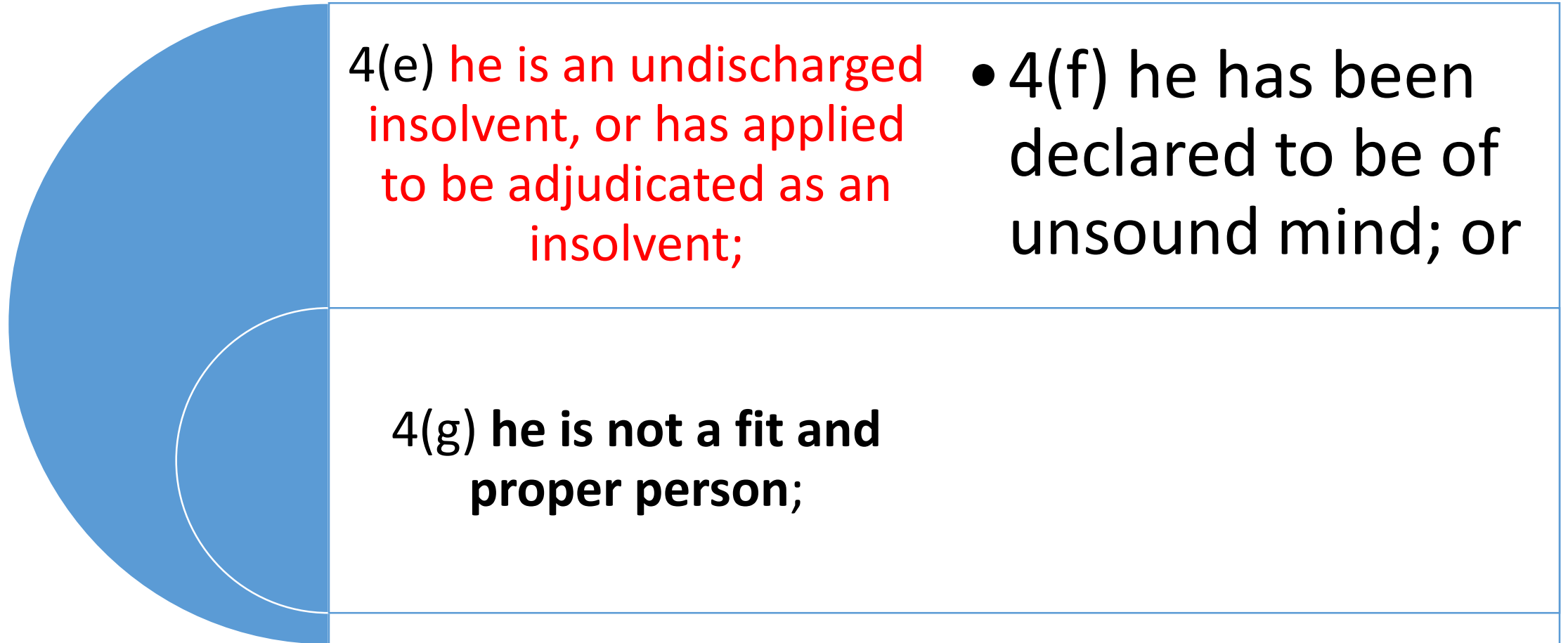


4(c) does not have the qualification and experience specified in Regulation 5 or Regulation 9, as the case may be;

4(d) has been convicted by any competent court for an offence punishable with imprisonment **for a term exceeding six months or for an offence involving moral turpitude,** and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to **imprisonment for a period of seven years or more, he shall not be eligible to be registered;**

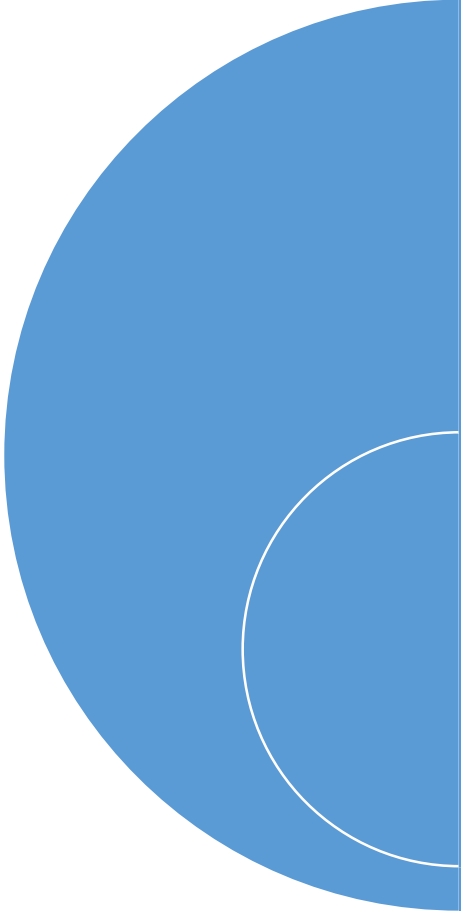
REGISTRATION OF INSOLVENCY PROFESSIONALS--Eligibility



REGISTRATION OF INSOLVENCY PROFESSIONALS--Eligibility

	<p>Explanation: For determining whether an individual is fit and proper under these Regulations, the Board may take account</p>	<ul style="list-style-type: none">• of any consideration as it deems fit, including but not limited to the following criteria-
	<p>(i) integrity, reputation and character,</p>	<ul style="list-style-type: none">• (ii) absence of convictions and restraint orders, and
	<p>(iii) competence, including financial solvency and net worth.</p>	

Qualifications and experience.




5. Subject to the other provisions of these regulations, an individual shall be eligible for registration, if he –

- (a) has passed the Limited Insolvency **Examination within twelve months before the date of his application for enrolment with the insolvency professional agency;**

(b) has **completed a pre-registration educational course**, as may be required by the Board, from an insolvency professional agency **after his enrolment as a professional member;** and

Qualifications and experience.



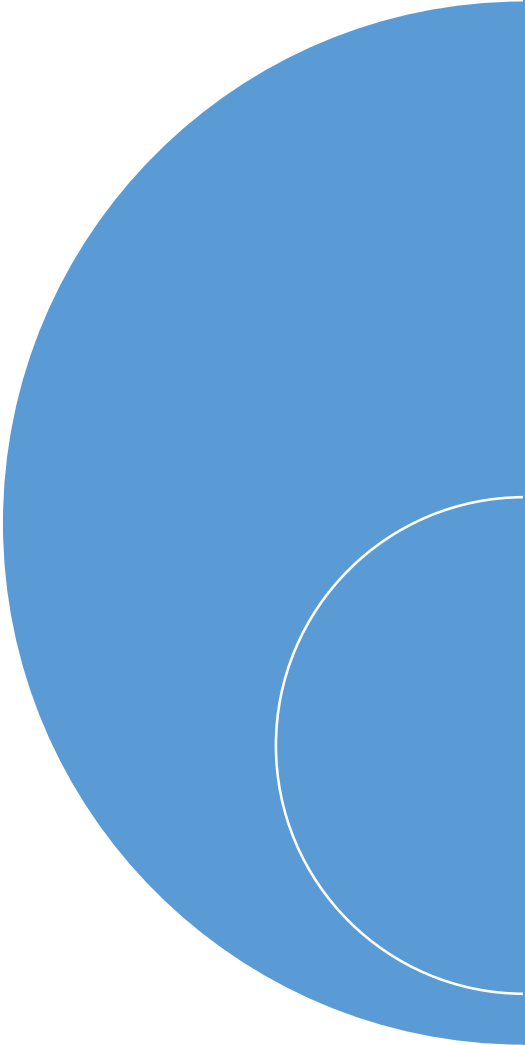
5(c) has- (i) successfully completed the National Insolvency Programme, as may be approved by the Board;

- 5C(ii) successfully completed the Graduate Insolvency Programme, as may approved by the Board;

5C(iii) fifteen years' of experience in management, after receiving a Bachelor's degree from a university established or recognised by law; or

- C(iv) **ten years' of experience as –**
- (a) **chartered accountant** registered as a member of the Institute of Chartered Accountants of India, (b) **company secretary** registered as a member of the Institute of Company Secretaries of India, (c) **cost accountant** registered as a member of the Institute of Cost Accountants of India, or (d) **advocate enrolled with the Bar Council.**]

Application for certificate of registration.




6(1) An individual enrolled with an insolvency professional agency as a professional member may make an application to the Board in Form A of the Second Schedule to these Regulations, along with a non-refundable application fee of ten thousand rupees to the Board.

- **6(2) The Board shall **acknowledge** an application made under this Regulation **within seven days** of its receipt.**

6(3) The Board may require the applicant to submit, within reasonable time, additional documents, information or clarification that it deems fit.

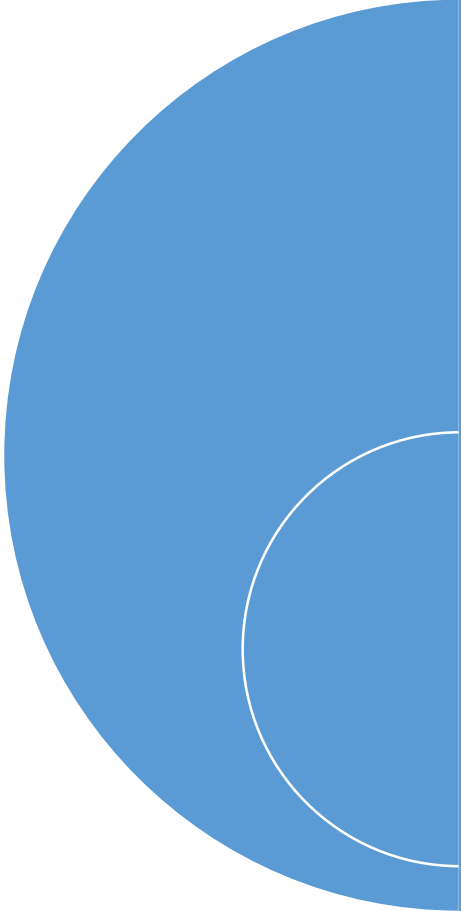
- **6(4) The Board may require the applicant to appear, within reasonable time, before the Board in person, or through his authorised representative for clarifications required for processing the application.**

Certificate of registration.



7. (1) If the Board is satisfied, after such inspection or inquiry as it deems necessary that the applicant is eligible under these Regulations, **it may grant a certificate of registration to the applicant to carry on the activities of an insolvency professional in Form B of the Second Schedule to these Regulations, within sixty days of receipt of the application,** excluding the time given by the Board for presenting additional documents, information or clarification, or appearing in person, as the case may be.

Certificate of registration.



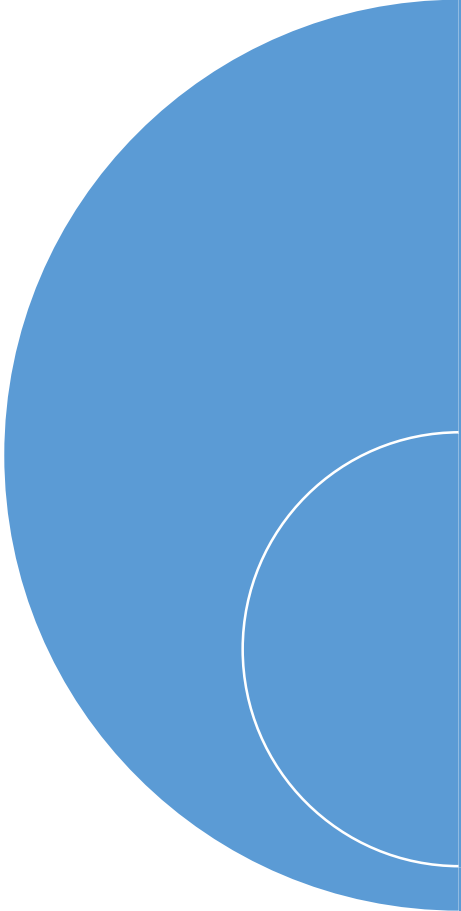
7(2) The registration shall be subject to the conditions that the insolvency professional shall

- 7(a) at all times abide by the Code, rules, regulations, and guidelines thereunder and the bye-laws of the insolvency professional agency with which he is enrolled;
- 7(b) at all times continue to satisfy the requirements under Regulation 4;

7(ba) undergo continuing professional education, as may be required by the Board; [[

- 7(bb)[not outsource any of his duties and responsibilities under the Code, except those specifically permitted by the Board.]

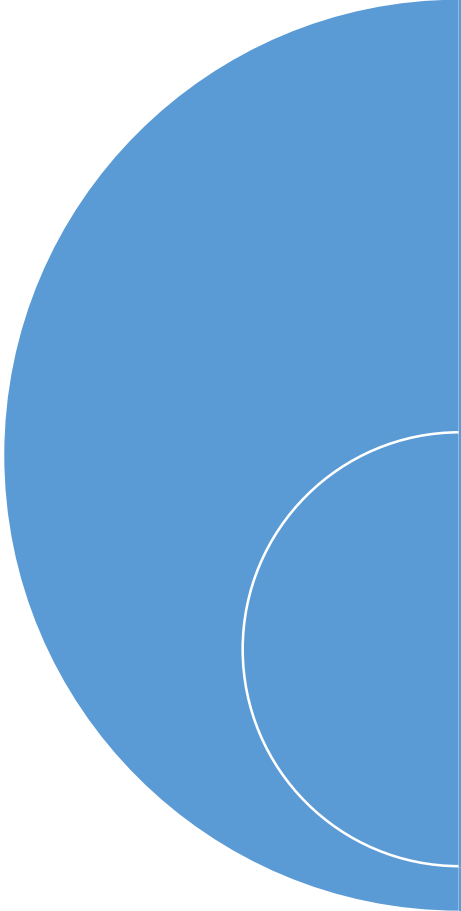
Certificate of registration.



7(c) pay to the Board, a fee of ten thousand rupees, every five years after the year in which the certificate is granted and such fee shall be paid on or before the 30th April of the year it falls due; Illustration Where registration is granted on 2nd February, 2018 in the year 2017-18, the fee shall become due on 1st April, 2023, after five years (2018-19, 2019-20, 2020-21, 2021-22 and 2022-23) and it shall be paid on or before the 30th April, 2023.

7(ca) pay to the Board, a fee calculated at the rate of 0.25 percent of the professional fee earned for the services rendered by him as an insolvency professional in the preceding financial year, on or before the 30th of April every year, along with a statement in Form E of the Second Schedule;]

Certificate of registration.



7(d) not render services as an insolvency professional unless he becomes a partner or director of an insolvency professional entity recognised by the Board under Regulation 13, if he is not a citizen of India;

7(e) take prior permission of the Board for shifting his professional membership from one insolvency professional agency to another, after receiving no objection from both the concerned insolvency professional agencies;

Certificate of registration.

7(f) take adequate steps for redressal of grievances;

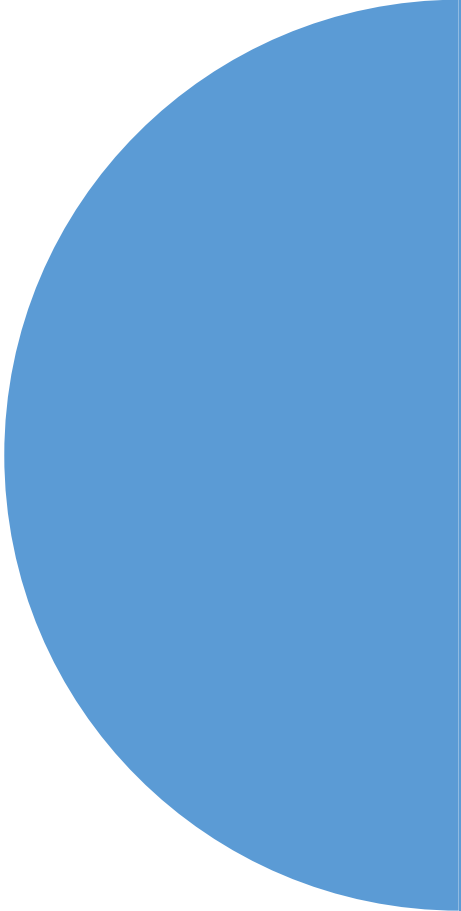
7(g) maintain records of all assignments undertaken by him under the Code for **at least three years from the completion of such assignment**;

7(h) abide by the Code of Conduct specified in the **First Schedule** to these Regulations; and

Slide—35 to 45

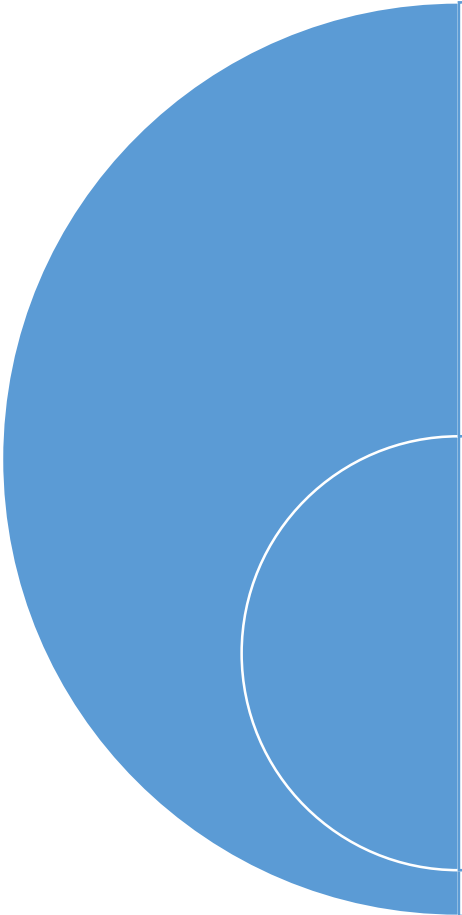
7(i) abide by such other conditions as may be imposed by the Board.

Refusal to grant certificate.



8(1) If, after considering an application made under Regulation 6, the Board is of the prima facie opinion that the registration ought not be granted, it shall communicate the reasons for forming such an opinion and give the applicant an opportunity to explain why his application should be accepted, within fifteen days of the receipt of the communication from the Board, to enable it to form a final opinion.

Refusal to grant certificate.



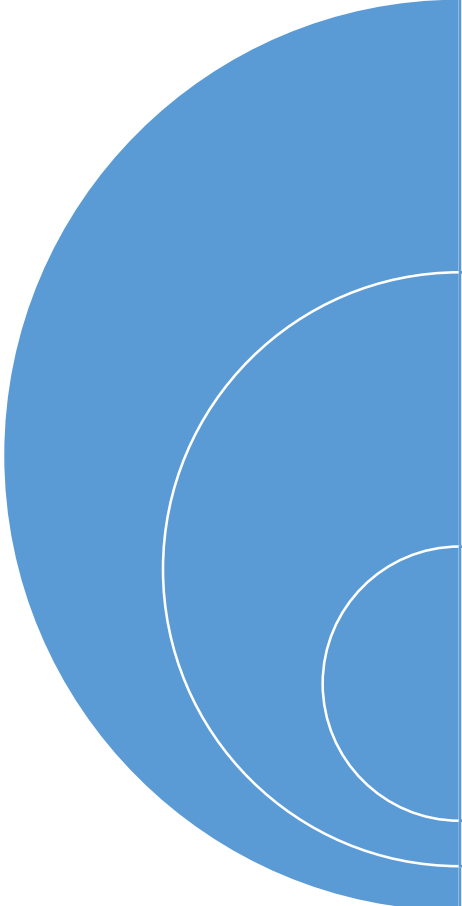
8(2) The communication under sub-regulation (1) **shall be made to the applicant within forty five days** of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarifications, or appearing in person, as the case may be.

- 8(3) After considering the explanation, if any, given by the applicant under sub-regulation (1), the Board shall communicate its decision to-

8(a) accept the application, along with the certificate of registration, or

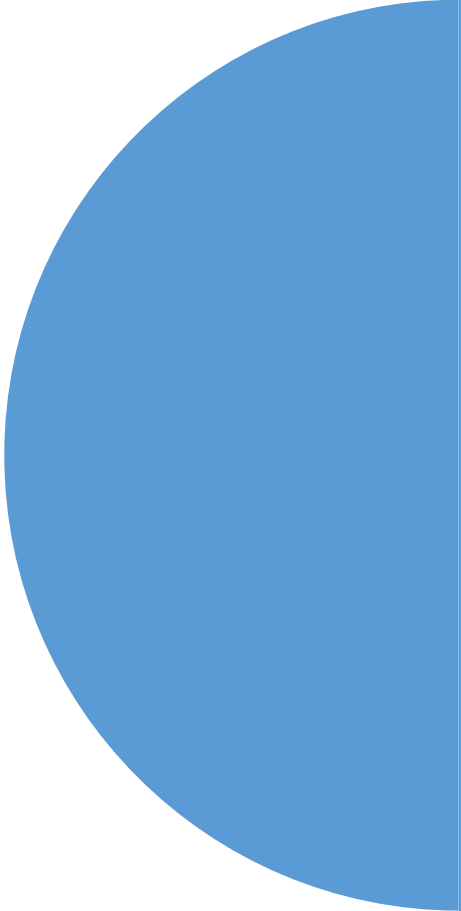
- 8(b) reject the application by an order, giving reasons thereof, within thirty days of receipt of the explanation.

Registration for a limited period.



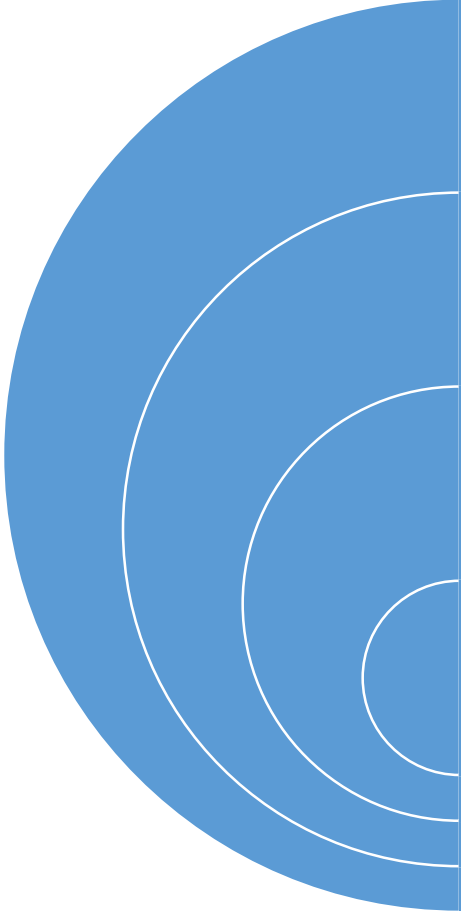
9(1) Notwithstanding any of the provisions of Regulation 5, an individual shall be eligible to be registered for a limited period as an insolvency professional if he	<ul style="list-style-type: none">• a. has been ‘in practice’ for fifteen years as-
(i) a chartered accountant enrolled as a member of the Institute of Chartered Accountants of India,	<ul style="list-style-type: none">• (ii) a company secretary enrolled as a member of the Institute of Company Secretaries of India,
(iii) a cost accountant enrolled as a member of the Institute of Cost Accountants of India, or	<ul style="list-style-type: none">• (iv) an advocate enrolled with a Bar Council; and

Registration for a limited period



9b. submits an application for registration in Form A of the Second Schedule to these Regulations to the insolvency professional agency with which he is enrolled **on or before 31st December, 2016** along with a **non-refundable application fee of five thousand rupees** which shall be collected by such insolvency professional agency on behalf of the Board.

Registration for a limited period



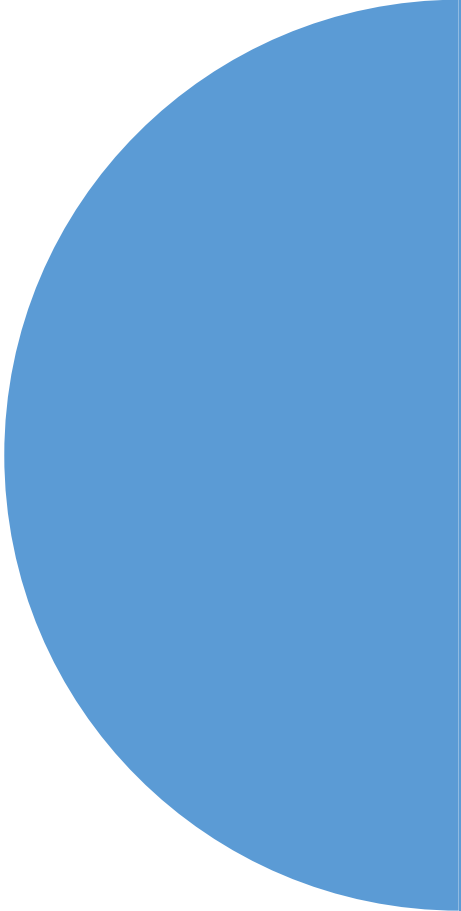
9[2] The insolvency professional agency shall submit to the Board the fee collected and the details of the applications received under sub-regulation (1)(b).

9(3) An individual referred to sub-regulation (1) shall be registered for a limited period upon submission of the details and fee to the Board under sub-regulation (2), which shall be valid for a period of six months from the date of such submission.

9(4) An insolvency professional registered under sub-regulation (3) shall not undertake any assignment as an insolvency professional after the expiry of his registration:

Provided that he may complete the pending assignments undertaken before the expiry of his registration, and his registration shall be deemed to be valid for this limited purpose.

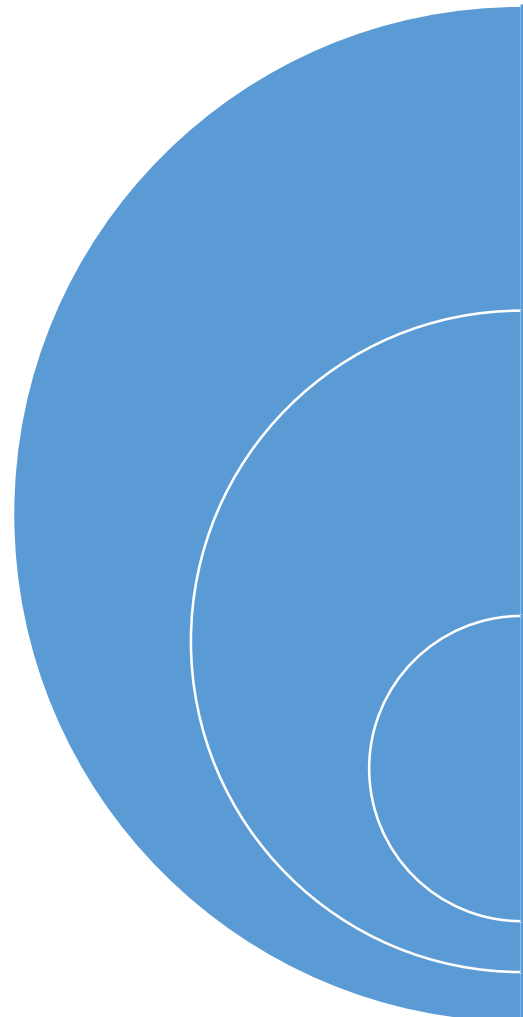
CHAPTER IV --TEMPORARY SURRENDER



10. (1) An insolvency professional agency shall inform the Board if any of its professional members has temporarily surrendered his certificate of membership or revived his certificate of membership after temporary surrender, not later than seven days from approval of the application for temporary surrender or revival, as the case may be.

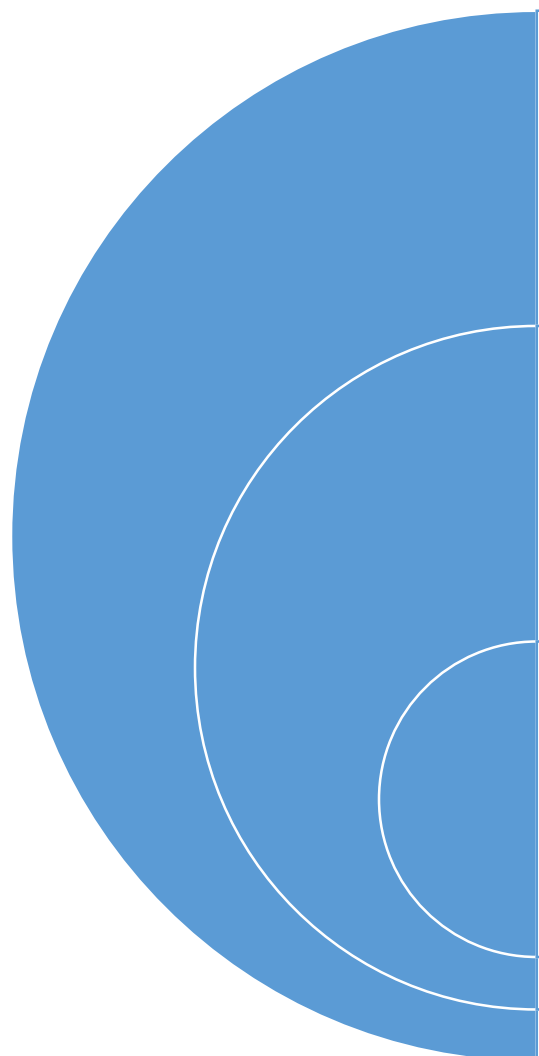
- (2) The Board shall take note of the information received under sub-regulation (1).

Disciplinary proceedings.



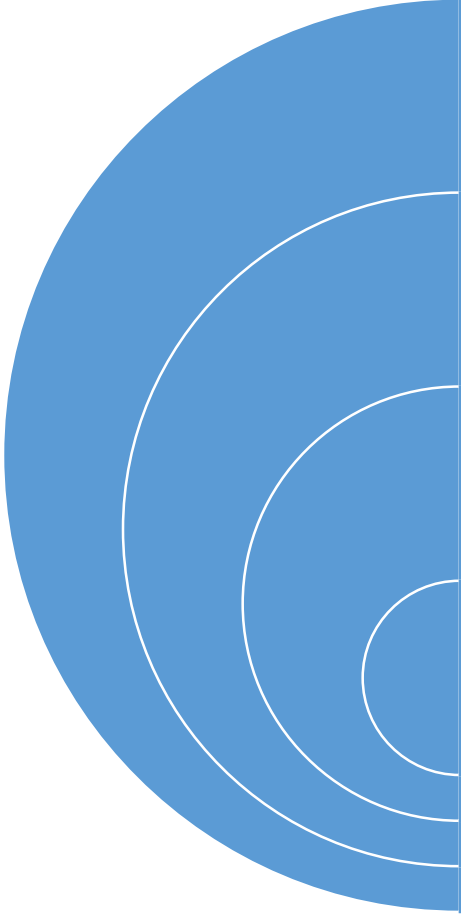
11. (1) Based on the findings of an inspection or investigation, or on material otherwise available on record, if the Board is of the prima facie opinion that sufficient cause exists to take actions permissible under section 220, it shall issue a show-cause notice to the insolvency professional.	<ul style="list-style-type: none">• (2) The show-cause notice shall be in writing, and shall state
a. the provisions of the Code under which it has been issued;	<ul style="list-style-type: none">• b. the details of the alleged facts;
c. the details of the evidence in support of the alleged facts;	

Disciplinary proceedings.



11[d]. the provisions of the Code, rules, regulations and guidelines thereunder allegedly violated, or the manner in which the public interest is allegedly affected;	<ul style="list-style-type: none">• 11[e]. the actions or directions that the Board proposes to take or issue if the allegations are established;
11[f]he manner in which the insolvency professional is required to respond to the showcause notice;	<ul style="list-style-type: none">• 11[g] consequences of failure to respond to the show-cause notice; and
11[h] procedure to be followed for disposal of the show-cause notice	

Disciplinary proceedings.



11(3) The show-cause notice shall enclose copies of documents relied upon and extracts of relevant portions from the report of investigation or inspection, or other records.

11(4) A show-cause notice issued shall be served on the insolvency professional in the following manner-

(a) by sending it to the insolvency professional, at the address provided by him or provided by the insolvency professional agency with which he is enrolled , by registered post with acknowledgement due; or

(b) by an appropriate electronic means to the email address of the insolvency professional, provided by him or provided by the insolvency professional agency with which he is enrolled.

Disciplinary proceedings.



11(5) The Board shall constitute a **Disciplinary Committee** for disposal of the show-cause notice.

11(6) The Disciplinary Committee shall endeavour to **dispose** of the show-cause notice **within a period of six months** of the assignment.

11(7) The Disciplinary Committee shall dispose of the show-cause notice assigned under sub-regulation (5) by a **reasoned order in adherence to principles of natural justice**, and after considering the submissions, if any, made by the insolvency professional, the relevant material facts and circumstances, and the material on record.

Disciplinary proceedings.



11(8) The order disposing of a show-cause notice may provide for-

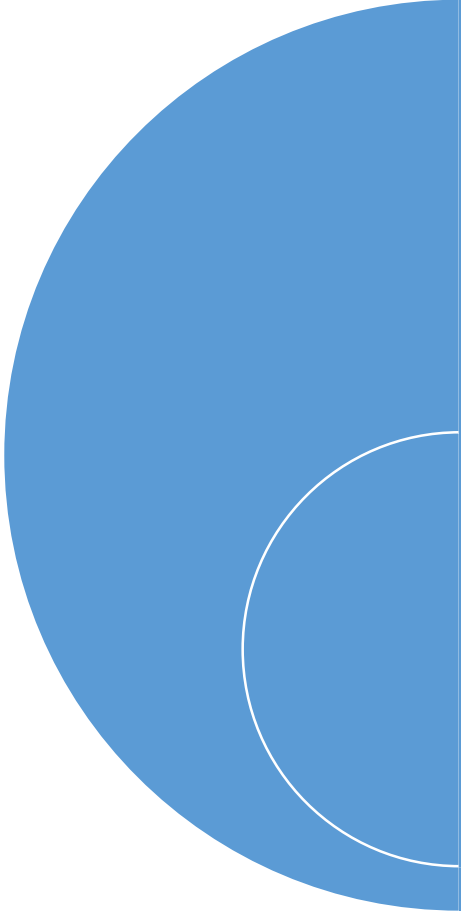
(a) no action;

(b) warning;

(c) any of the actions under section 220(2) to (4); or

(d) a reference to the Board to take any action under section 220(5).

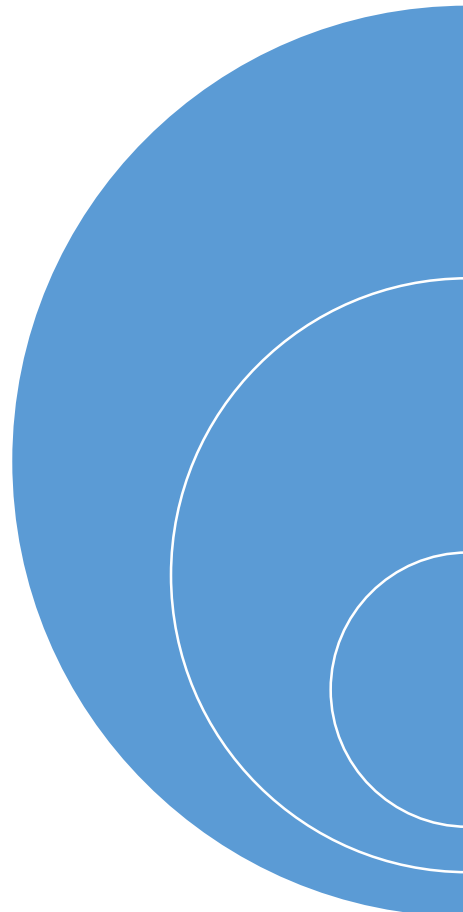
Disciplinary proceedings.



11(9) The order passed under sub-regulation (7) **shall not become effective until thirty days have elapsed from the date of issue of the order** unless the Disciplinary Committee states otherwise in the order along with the reason for the same.

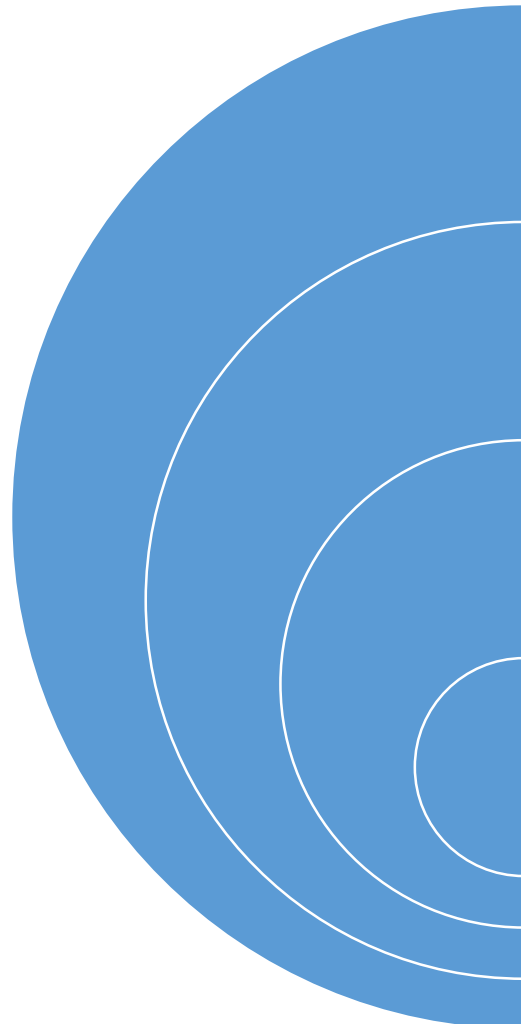
11(10) The order passed under sub-regulation (7) shall be issued to the insolvency professional, with a copy issued to the insolvency professional agency with which he is enrolled immediately, and be published on the website of the Board.

CHAPTER V RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES



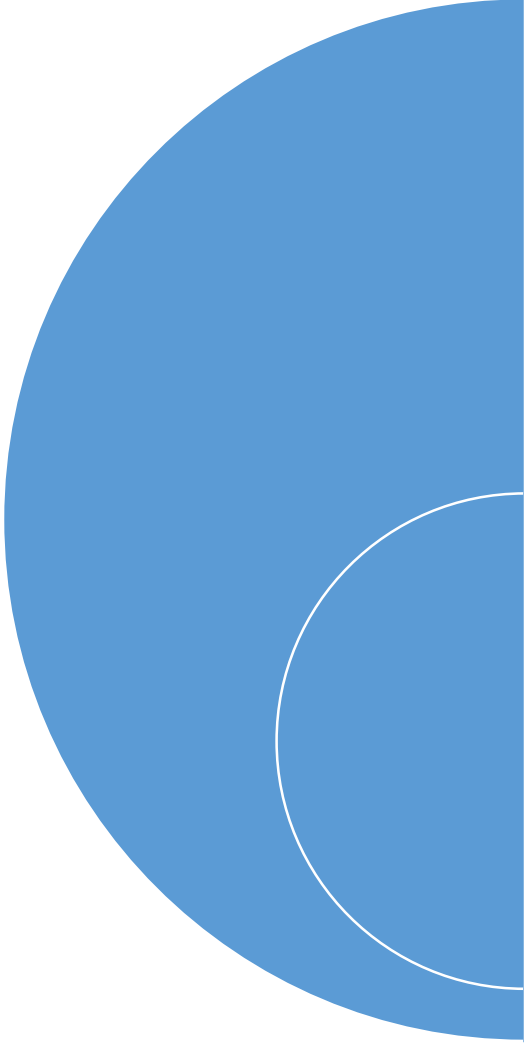
12. (1) A company, a registered partnership firm or a limited liability partnership may be recognised as an insolvency professional entity, if –	<ul style="list-style-type: none">• its sole objective is to provide support services to insolvency professionals, who are its partners or directors, as the case may be;
(b) it has a net worth of not less than one crore rupees;	
(c) majority of its shares is held by insolvency professionals, who are its directors, in case it is a company;	

RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES



12(d) majority of capital contribution is made by insolvency professionals, who are its partners, in case it is a limited liability partnership firm or a registered partnership firm;
12(e) majority of its partners or directors, as the case may be, are insolvency professionals;
12(f) majority of its whole time directors are insolvency professionals, in case it is a company; and
12(g) none of its partners or directors is a partner or a director of another insolvency professional entity:

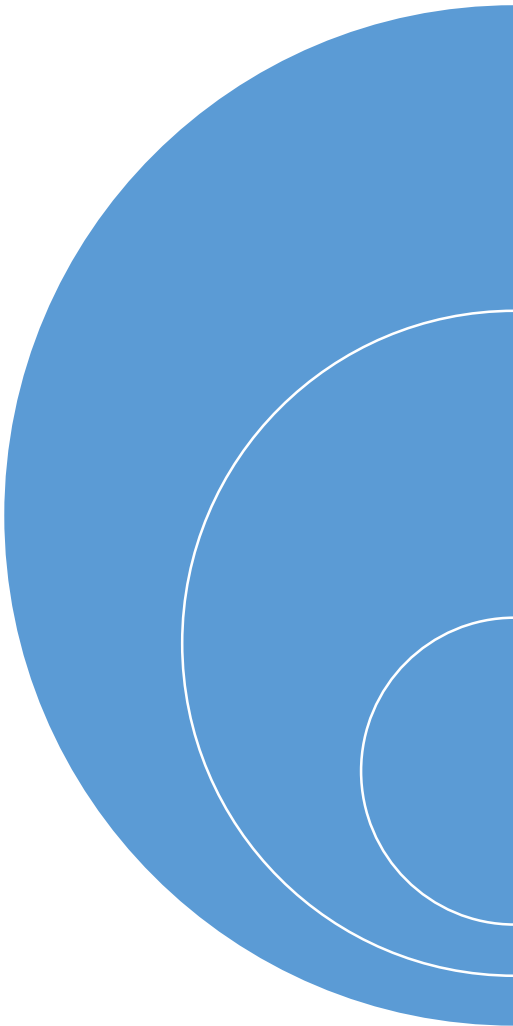
RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES



Provided that the insolvency professional entities recognised as on the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2018 shall comply with the provisions of clauses (a), (b) (c) and (d)[on or before 30th September, 2018 and the provisions of clauses (e), (f) and (g)[on or before 30th June, 2018.]

12(2) A person eligible under sub-regulation (1) may make an application for recognition as an insolvency professional entity to the Board in **Form C** of the Second Schedule along with an application fee of fifty thousand rupees.]

RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES

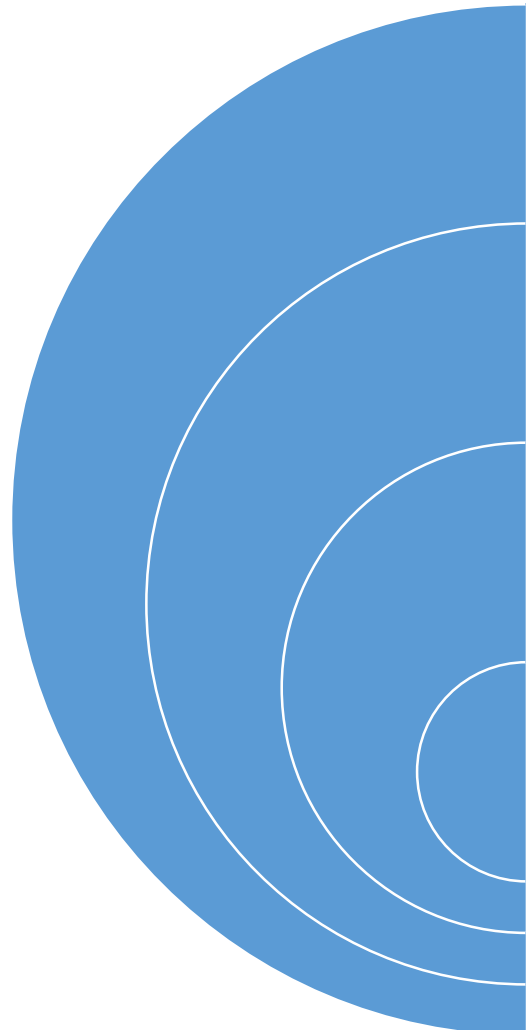


13. (1) If the Board is satisfied, after such inspection or inquiry as it deems necessary that the applicant is eligible under these Regulations, it may grant a certificate of recognition as an insolvency professional entity in Form D of the Second Schedule to these Regulations.

13(2) The recognition shall be subject to the conditions that the insolvency professional entity shall- (a) at all times continue to satisfy the requirements under Regulation 12; 8

(b) inform the Board, within seven days, when an individual ceases to be its director or partner, as the case may be, in Form F of the Second Schedule along with a fee of two thousand rupees;

RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES



13[2](c) inform the Board, within seven days, when an individual joins as its director or partner, as the case may be, in Form F of the Second Schedule along with a fee of two thousand rupees;
13[2](ca) pay to the Board, a fee calculated at the rate of 0.25 percent of the turnover from the services rendered by it in the preceding financial year, on or before the 30th of April every year, along with a statement in Form G of the Second Schedule; and]
13[2](d) abide by such other conditions as may be specified.
13(3) An insolvency professional entity shall be jointly and severally liable for all acts or omissions of its partners or directors as insolvency professionals committed during such partnership or directorship

RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES



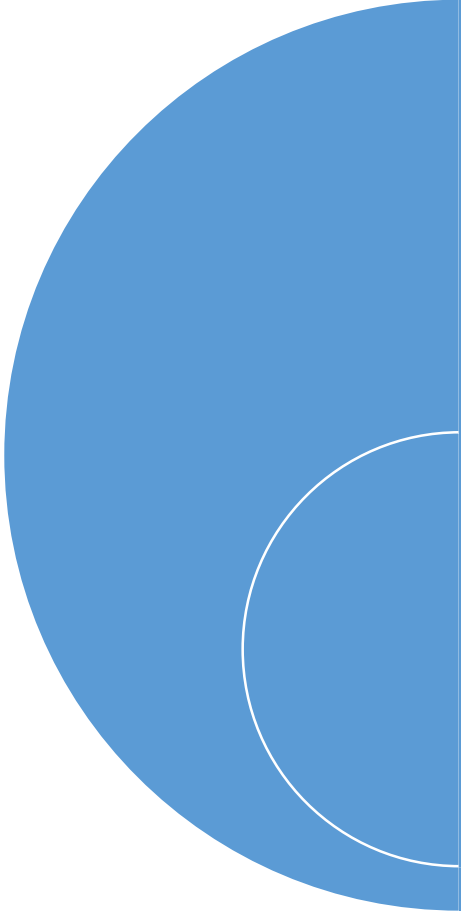
14. Where the Board is of the opinion that sufficient cause exists for de-recognition of an insolvency professional entity, it may do so by passing a reasoned order.

15. Interest.- Without prejudice to any other action which the Board may take as deemed fit under the Code or any regulations made thereunder, **any delay in payment of fee by an insolvency professional or an insolvency professional entity, a simple interest at the rate of 12% per annum on the amount of fee unpaid shall be paid to the Board after the last date of payment of fee under these regulations.**

FIRST SCHEDULE [Under Regulation 7(2)(h)]

CODE OF CONDUCT FOR INSOLVENCY PROFESSIONALS

Integrity and objectivity.



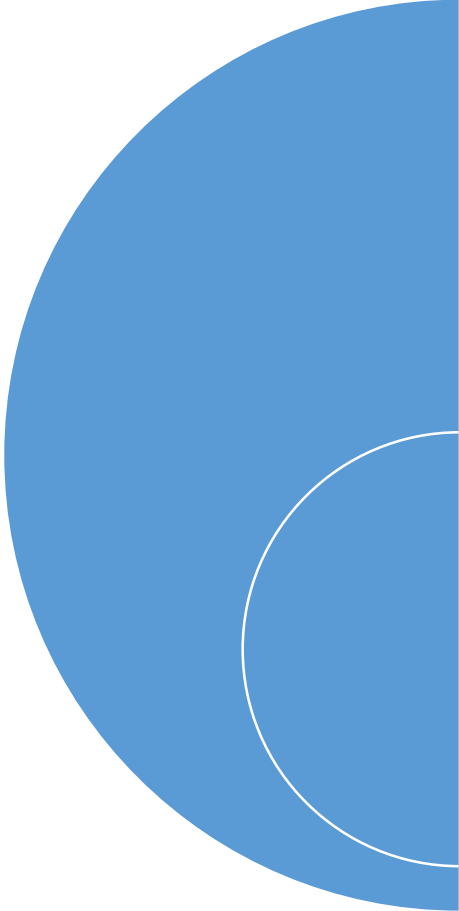
1. An insolvency professional must maintain integrity by being honest, straightforward, and forthright in all professional relationships.

- 2. An insolvency professional must not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession.

3. An insolvency professional must act with objectivity in his professional dealings by ensuring that his decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the insolvency proceedings or not.

- 4. An insolvency professional appointed as an interim resolution professional, resolution professional, liquidator, or bankruptcy trustee **should not himself acquire, directly or indirectly, any of the assets of the debtor, nor knowingly permit any relative to do so.**

Independence and impartiality.

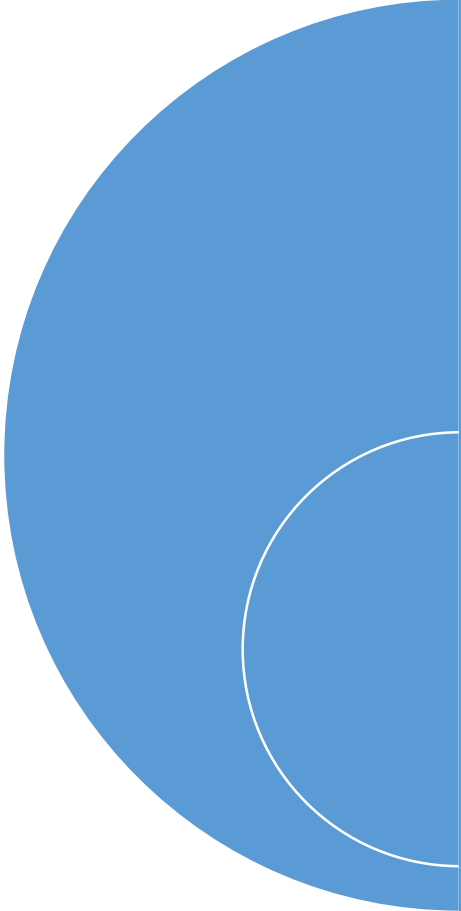


5. An insolvency professional must maintain complete independence in his professional relationships and should conduct the insolvency resolution, liquidation or bankruptcy process, as the case may be, independent of external influences.

- 6. In cases where the insolvency professional is dealing with assets of a debtor during liquidation or bankruptcy process, **he must ensure that he or his relatives do not knowingly acquire any such assets, whether directly or indirectly unless it is shown that there was no impairment of objectivity, independence or impartiality in the liquidation or bankruptcy process and the approval of the Board has been obtained in the matter.**

7. An insolvency professional shall not take up an assignment under the Code if he, any of his relatives, any of the partners or directors of the insolvency professional entity of which he is a partner or director, or the insolvency professional entity of which he is a partner or director is not independent, in terms of the Regulations related to the processes under the Code, in relation to the corporate person/ debtor and its related parties.

Independence and impartiality.

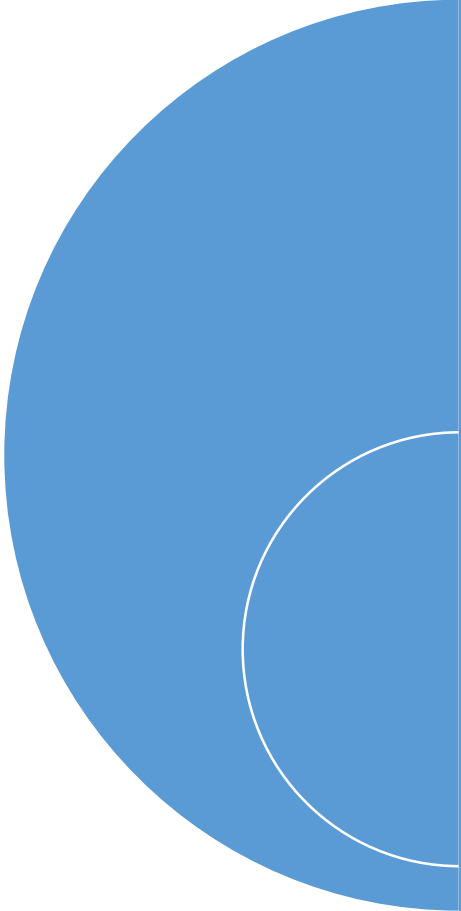


8. An insolvency professional shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders entitled to distribution under sections 53 or 178 of the Code, and the concerned corporate person/ debtor as soon as he becomes aware of it, by making a declaration of the same to the applicant, committee of creditors, and the person proposing appointment, as applicable.

- 8A. An insolvency professional shall disclose as to whether he was an employee of or has been in the panel of any financial creditor of the corporate debtor, to the committee of creditors and to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.]

9. An insolvency professional shall not influence the decision or the work of the committee of creditors or debtor, or other stakeholders under the Code, so as to make any undue or unlawful gains for himself or his related parties, or cause any undue preference for any other persons for undue or unlawful gains and shall not adopt any illegal or improper means to achieve any mala fide objectives.

Professional competence.



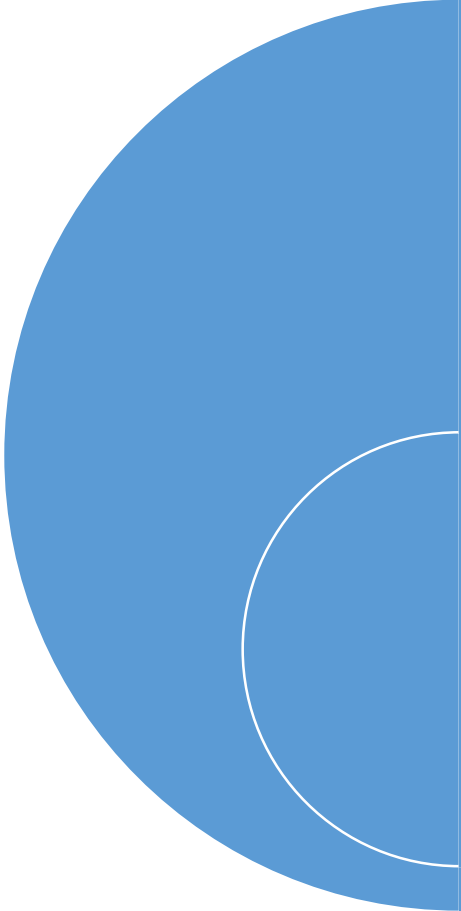
10. An insolvency professional must maintain and upgrade his professional knowledge and skills to render competent professional service.

- **Representation of correct facts and correcting misapprehensions**

11. An insolvency professional **must inform such persons under the Code as may be required, of a misapprehension or wrongful consideration of a fact** of which he becomes aware, as soon as may be practicable.

- 12. An insolvency professional **must not conceal any material information or knowingly make a misleading statement to the Board, the Adjudicating Authority or any stakeholder, as applicable.**

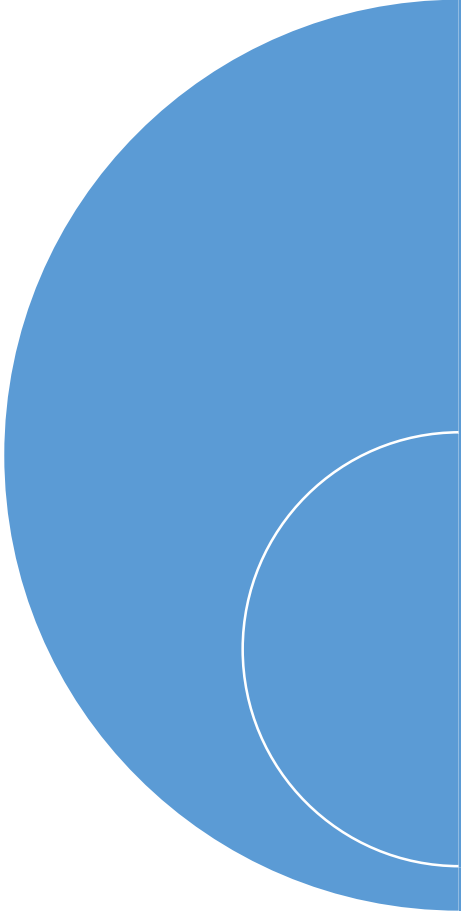
Timeliness.



13. An insolvency professional must adhere to the time limits prescribed in the Code and the rules, regulations and guidelines thereunder for insolvency resolution, liquidation or bankruptcy process, as the case may be, and **must carefully plan his actions, and promptly communicate with all stakeholders involved for the timely discharge of his duties.**

14. An insolvency professional must not act with mala fide or be negligent while performing his functions and duties under the Code.

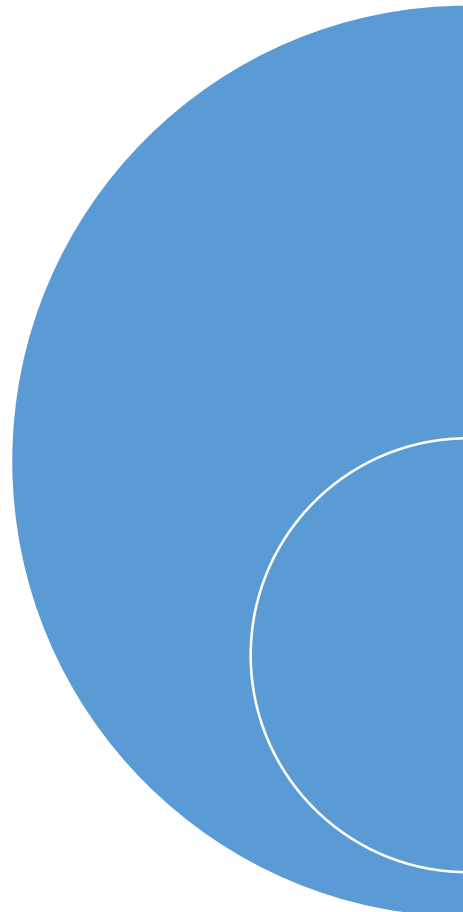
Information management.



15. An insolvency professional must make efforts to ensure that all communication to the stakeholders, whether in the form of notices, reports, updates, directions, or clarifications, is made well in advance and in a manner which is simple, clear, and easily understood by the recipients.

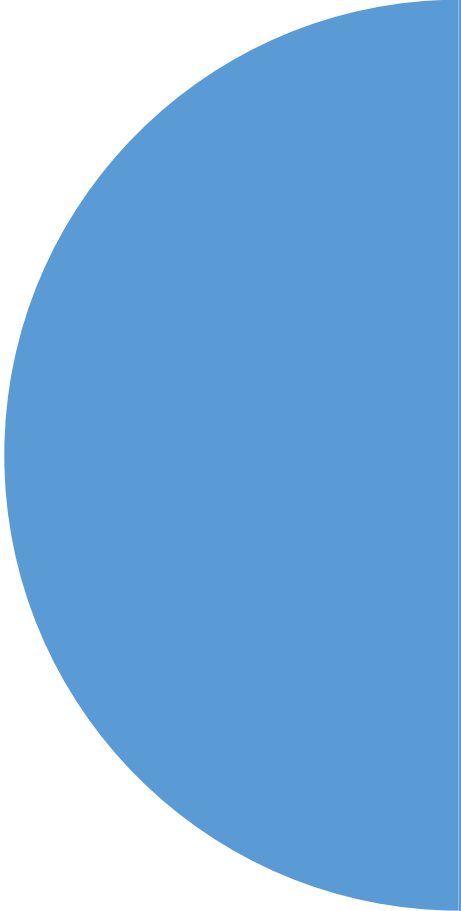
16. An insolvency professional must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his decisions and actions.

Information management.



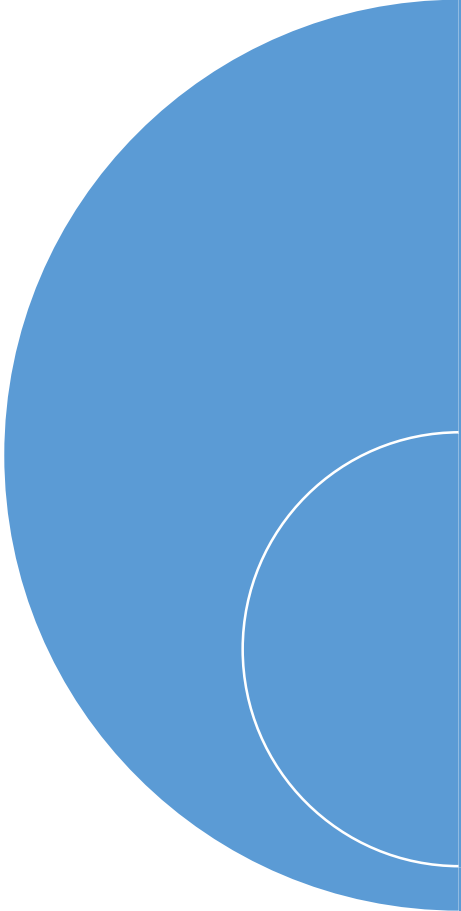
<p>17. An insolvency professional must not make any private communication with any of the stakeholders unless required by the Code, rules, regulations and guidelines thereunder, or orders of the Adjudicating Authority.</p>	<ul style="list-style-type: none">• 18. An insolvency professional must appear, co-operate and be available for inspections and investigations carried out by the Board, any person authorised by the Board or the insolvency professional agency with which he is enrolled.
<p>19. An insolvency professional must provide all information and records as may be required by the Board or the insolvency professional agency with which he is enrolled.</p>	<ul style="list-style-type: none">• 20. An insolvency professional must be available and provide information for any periodic study, research and audit conducted by the Board.

Confidentiality.



21. An insolvency professional **must ensure that confidentiality of the information relating to the insolvency resolution process, liquidation or bankruptcy process**, as the case may be, is maintained at all times. However, this **shall not prevent him from disclosing any information with the consent of the relevant parties or required by law.**

Occupation, employability and restrictions.

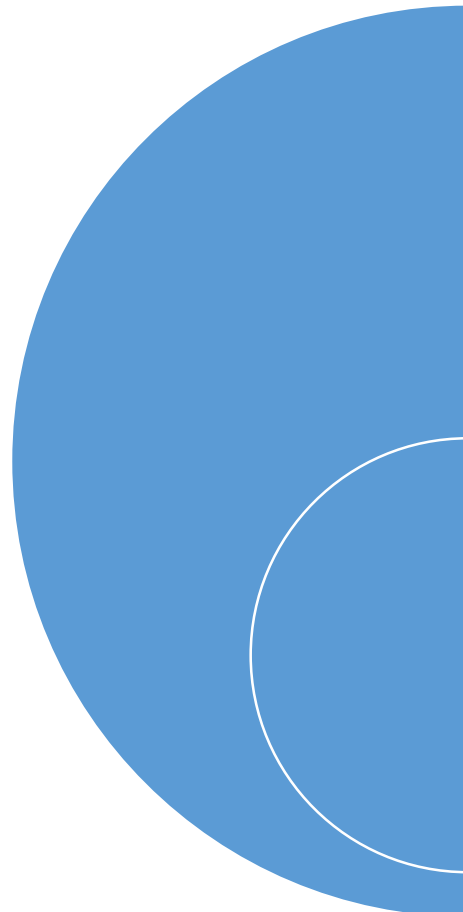


22. An insolvency professional **must refrain from accepting too many assignments**, if he is unlikely to be able to devote adequate time to each of his assignments.

- 23. An insolvency professional **must not engage in any employment**, except when he has temporarily surrendered his certificate of membership with the insolvency professional agency with which he is registered.

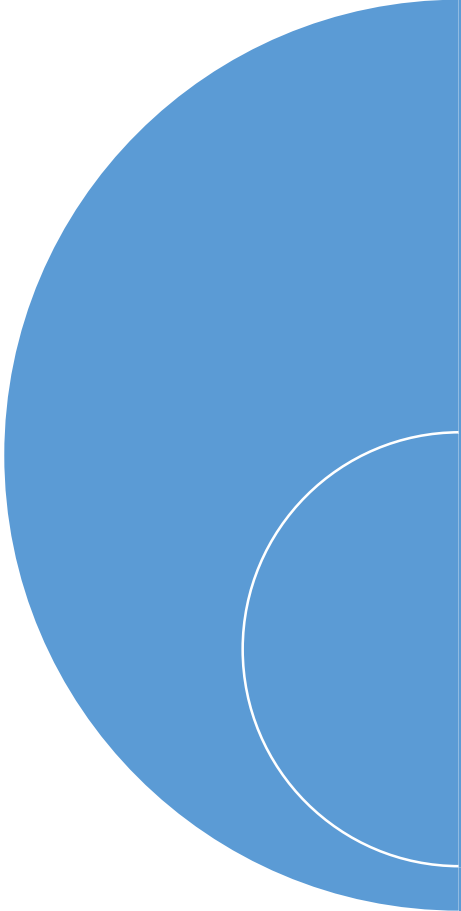
24. An insolvency professional **must not conduct business which in the opinion of the Board is inconsistent with the reputation of the profession.**

Remuneration and costs.



<p>25. An insolvency professional must provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable regulations. 12</p>	<ul style="list-style-type: none">• 25A. An insolvency professional shall disclose the fee payable to him, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by him to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.]
<p>26. An insolvency professional shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing his remuneration.</p>	<ul style="list-style-type: none">• 27. An insolvency professional shall disclose all costs towards the insolvency resolution process costs, liquidation costs, or costs of the bankruptcy process, as applicable, to all relevant stakeholders, and must endeavour to ensure that such costs are not unreasonable.

Gifts and hospitality.



28. An insolvency professional, **or his relative must not accept gifts or hospitality which undermines or affects his independence as an insolvency professional.**

29. An insolvency professional **shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person, intending to obtain or retain work for himself, or to obtain or retain an advantage in the conduct of profession for himself.**