



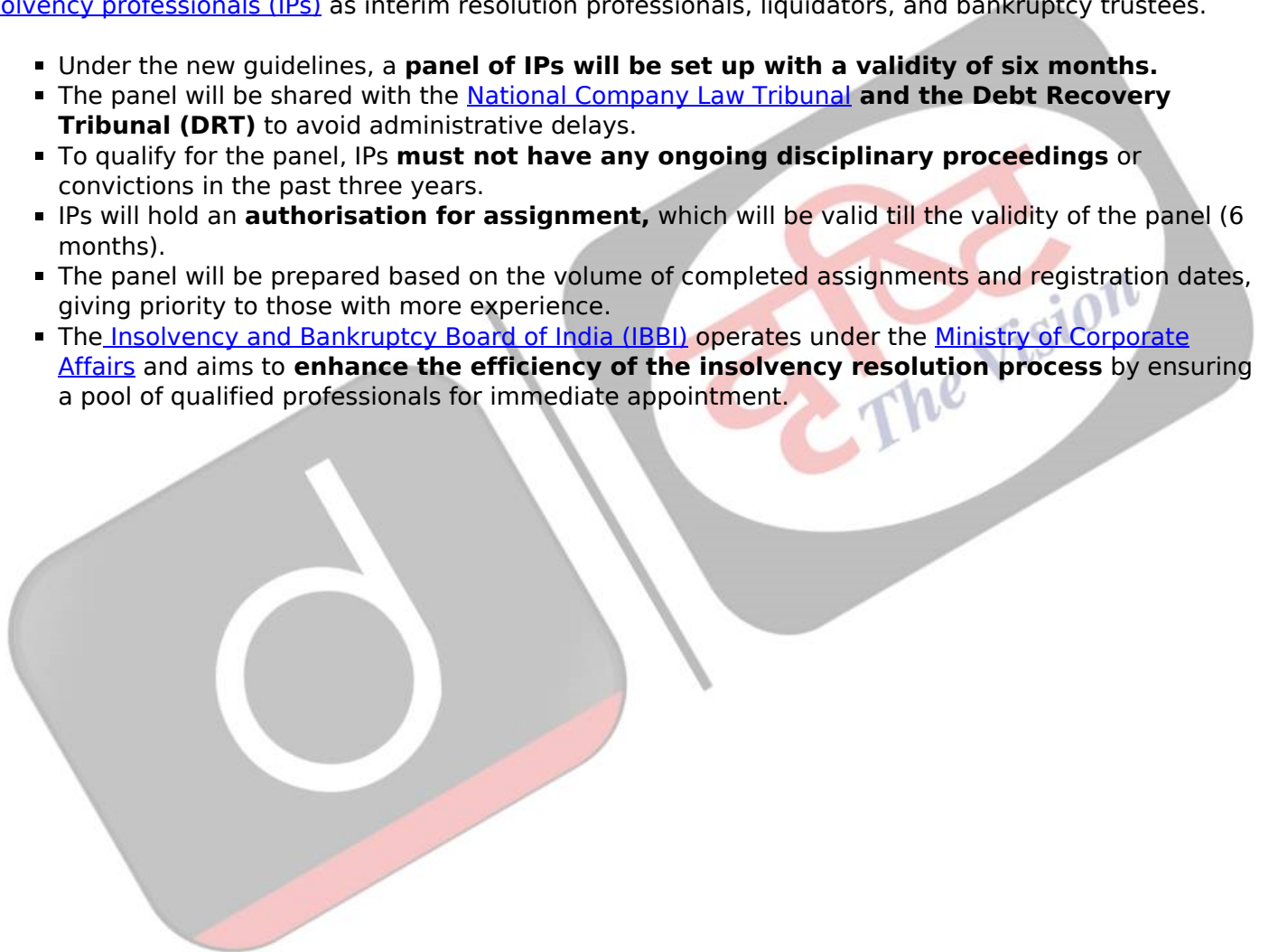
Insolvency Professionals (IPs)

[Source: ET](#)

Recently, the [Insolvency and Bankruptcy Board of India \(IBBI\)](#) has issued new guidelines for appointing [insolvency professionals \(IPs\)](#) as interim resolution professionals, liquidators, and bankruptcy trustees.

- Under the new guidelines, a **panel of IPs will be set up with a validity of six months.**
- The panel will be shared with the [National Company Law Tribunal](#) and the **Debt Recovery Tribunal (DRT)** to avoid administrative delays.
- To qualify for the panel, IPs **must not have any ongoing disciplinary proceedings** or convictions in the past three years.
- IPs will hold an **authorisation for assignment**, which will be valid till the validity of the panel (6 months).
- The panel will be prepared based on the volume of completed assignments and registration dates, giving priority to those with more experience.
- The [Insolvency and Bankruptcy Board of India \(IBBI\)](#) operates under the [Ministry of Corporate Affairs](#) and aims to **enhance the efficiency of the insolvency resolution process** by ensuring a pool of qualified professionals for immediate appointment.

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Insolvency and Bankruptcy Code

Introduction

- ❑ **Insolvency and Bankruptcy Code (IBC), 2016** provides a time-bound process for resolving insolvency in companies and among individuals
- ❑ Provides for speedier resolution and higher recoveries
- ❑ **Insolvency:** individuals or companies are unable to repay their outstanding debt
- ❑ **Bankruptcy:** a legal declaration of one's inability to pay off debts

Objectives of IBC

- ❑ To consolidate and amend all existing insolvency laws in India
- ❑ To simplify and expedite the Insolvency and Bankruptcy Proceedings in India
- ❑ To protect the interest of creditors including stakeholders in a company
- ❑ To revive the company in a time-bound manner
- ❑ To promote entrepreneurship
- ❑ To get the necessary relief to the creditors and consequently increase the credit supply in the economy
- ❑ To work out a new and timely recovery procedure to be adopted by the banks, financial institutions or individuals
- ❑ To set up an Insolvency and Bankruptcy Board of India

IBC: Salient Features

- ❑ Covers all individuals, companies, Limited Liability Partnerships and partnership firms.
- ❑ Adjudicating authority:
 - **National Company Law Tribunal (NCLT)** for companies and LLPs
 - **Debt Recovery Tribunal (DRT)** for individuals and partnership firms
- ❑ **Insolvency and Bankruptcy Board of India** to exercise regulatory oversight over insolvency professionals (IPs), insolvency professional agencies (IPAs) and information utilities (IUs)
- ❑ **IPs** handle the commercial aspects of insolvency resolution process
- ❑ **IPAs** develop professional standards, code of ethics
- ❑ **IUs** collect, collate, authenticate and disseminate financial information to be used in insolvency, liquidation and bankruptcy proceedings
- ❑ Enabling provisions to deal with **cross border insolvency**



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