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Circulars in relation to Insolvency Professionals & CIRP under Insolvency & Bankruptcy Code, 2016

Circulars issued by IBBI in exercise of powers under Clause (e) of sub-section (2) of Section 208 r/w/s 196 of IBC, 2016 regarding certain functions to be performed by every insolvency professional (in short "IP") in such manner and subject to such conditions as specified therein.

[Updated till 15th April, 2020]

SN	Circular No	Date	Matter
1	IP/003/2018	03/01/2018	**IP not to outsource his responsibilities.** No outsource any of his duties and responsibilities under the Code. She shall not require any certificate from another person certifying eligibility of a resolution applicant.
2	IP/002/2018	03/01/2018	**IP to Ensure compliance with provisions of the applicable laws.** ▪ While acting as an IRP, RP or a Liquidator, an IP to take all necessary steps to ensure corporate person undergoing any process under the Code complies with the applicable laws. ▪ If a corporate person during any of the aforesaid processes under the Code suffers any loss, including penalty, if any, on account of non-compliance of any provision of the applicable laws, such loss shall not form part of insolvency resolution process cost or liquidation process cost.
3	IP/001/2018	03/01/2018	**IP to use Registration Number & Registered Address in all his communications.** ▪ In all his communications, whether by way of public announcement or otherwise to a stakeholder or to an authority, an IP shall prominently state: (i) his name, address and email, as registered with the IBBI, (ii) his Registration Number as an IP, and (iii) the capacity in which he is communicating (Example: As IRP of XYZ Limited, As RP of ABC Limited, etc.) ▪ Use a process (Example: CIRP, Liquidation, etc.) specific address and email in its communications, if he considers it necessary subject to the conditions that: (i) the process specific address and email are in addition to the details required above, and (ii) the IP continues to service the process specific address and email for at least six months from conclusion of his role in the process.

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SN	Circular No	Date	Matter
4	IP/005/2018	16/01/2018	Disclosures **Disclosures to IPA by IPs and other Professionals appointed by IPs conducting Resolution Processes.** IPs are authorized to appoint registered valuers, accountants, legal and other professionals to assist him in discharge of his duties in resolution process. An IP and every other professional appointed by him shall make disclosures as specified in this circular. [Refer Annexure-1 for details]
5	IP/004/2018	16/01/2018	**Fees payable to IP and to other professionals appointed by him.** ▪ 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. ▪ Any payment of fees for the services of an IP to any person other than IP shall not form part of the IRP cost. ▪ Any other professional appointed by IP shall raise bills / invoices in his / its (such as registered valuer) name towards such fees, and such fees shall be paid to his / its bank account.
6	IP(CIRP)/007/2018	23/02/2018	**Confidentiality of Information relating to Processes under IBC** An IP, whether acting as IRP, RP or Liquidator shall not disclose information, except as provided for in the Code, or rules, regulations or circulars issued thereunder, is restricted. (referred clause 21 of the Code of Conduct appended to the First Schedule to IBBI (Insolvency Professionals) Regulations, 2016].
7	IP(CIRP)/006/2018	23/02/2018	**Designated website for publishing Forms under the Regulations.** IBBI has specified Forms for publishing Public Announcements and Invitations of Resolution Plans on the designated website www.ibbi.gov.in. IRP, RP or the liquidator shall send the Forms to IBBI for publishing the same on the designated website "www.ibbi.gov.in" in the manner provided in the circular. (please refer the circular)

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SN	Circular No	Date	Matter
8	IP/013/2018	12/06/2018	**Fee and other Expenses incurred for CIRP to be reasonable, details of inclusion and exclusions in IRP Cost. Also given below-** ▪ Details of Provisions and Pronouncements having a bearing on Fee and other Expenses of CIRP; ▪ An illustrative list of factors considered in determination of reasonability of fees and expenses paid to IRP/RP. **[refer circular for more details]**
9	CIRP/015/2018	13/07/2018	**Appointment of Authorised Representative for Classes of Creditors under section 21 (6A) (b) of the code.** Wherever the approval of resolution plan under regulation 39 (3) is at least 15 days away, RP shall expeditiously obtain, by electronic means, the choice of the insolvency professional from creditors in a class to act as the authorised representative of the class and proceed further in the manner as specified in regulation 16A of the Regulations.
10	CIRP/016/2018	10/08/2018	**Mandatory requirement in Notice for Meetings of the Committee of Creditors.** IRP or RP shall, in every notice of meeting of the CoC and any other communication addressed to the financial creditors, other than creditors under section 21 (6A) (b), require that they must be represented in the CoC or in any meeting of the CoC by such persons who are competent and are authorised to take decisions on the spot and without deferring decisions for want of any internal approval from the financial creditors.
11	RV/022/2019	13/08/2019	**Valuation under the Insolvency and Bankruptcy Code, 2016** (i) Appointment of any person, other than a 'registered valuer', that is, a valuer registered with the IBBI, on or after 1st February, 2019, is illegal and amounts to violation of the Circular aforesaid; and (ii) Payment, whether as fee or otherwise, to any person, other than a 'registered valuer' for any valuation referred to in paragraph (i), shall not form part of the insolvency resolution process costs or liquidation cost.

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Circulars in relation to Insolvency Professionals & CIRP under Insolvency & Bankruptcy Code, 2016

SN	Circular No	Date	Matter
12	CIRP/023/2019	14/08/2019	Disclosures Filing of Forms for the purpose of monitoring CIRPs and performance of IPs under the IBC, 2016 and the regulations made thereunder. In order to facilitate submission of records and information by IPs to the IBBI as well as for monitoring of the processes and performance of IPs, a set of Forms were finalised in consultation with the IPAs. Please refer circular for more details.
13	LIQ/027/2020	09/01/2020	**Deposit of unclaimed dividends and / or undistributed proceeds of liquidation process in accordance with regulation 46 IBBI (Liquidation Process) Regulations, 2016.** The liquidators to deposit into the designated account in circular in accordance with regulation 46 of the Regulations. Also provide the particulars of the amount deposited into the account as per Form-I of the Schedule II to the Regulations and send a scanned signed copy of the said Form-I electronically to liq.cirp@ibbi.gov.in.
14	VL/028/2020	20/01/2020	**Deposit of unclaimed dividends and / or undistributed proceeds of voluntary liquidation process in accordance with regulation 39 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.** The liquidators to deposit designated account in circular the amount of unclaimed dividends and/or undistributed proceeds of voluntary liquidation processes into the aforesaid account in accordance with regulation 39 of the Regulations and provide the particulars of the amount deposited into the said account as per Form-G of the Schedule I to the Regulations and send a scanned signed copy of the said Form-G electronically to liqvol@ibbi.gov.in.
15	CIRP/030/2020	17/03/2020	**Feature for modification of CIRP Forms (including IP-1 Form) submitted by IP in compliance of regulation 40B of CIRP Regulations.**

- *[Control+ click on circular no. to download copy of circular]*

Circulars in relation to Insolvency Professionals & CIRP under Insolvency & Bankruptcy Code, 2016

Annexure-1: Detailed analysis of Circular No. IP/005/2018 dated 16/01/2018.

- **Disclosure of IP's Relationship**

An **IP to disclose** his relationship, to the Insolvency Professional Agency of which he is a member.

Relationship of the Insolvency Professional with	Disclosure to be made within 3 days of
Corporate Debtor	His appointment
Other Professionals [Registered Valuer(s) / Accountant(s) / Legal Professional(s) / Other Professional(s)] appointed by him	Appointment of the other Professional.
Financial Creditor(s)	The constitution of Committee of Creditors
Interim Finance Provider(s)	The agreement with Interim Finance Provider
Prospective Resolution Applicant(s)	The supply of information memorandum to the Prospective Resolution Applicant.
If relationship with any of the above, comes to notice or arises subsequently	of such notice or arising

- **Disclosure of other professionals' Relationship**

An **IP to ensure disclosure** of relationships of other professionals, to the Insolvency Professional Agency of which he is a member.

Relationship of the other Professional(s) with	Disclosure to be made within 3 days of
The Insolvency Professional	Appointment of the other Professional
Corporate Debtor	Appointment of the other Professional.
Financial Creditor(s)	The constitution of Committee of Creditors
Interim Finance Provider(s)	the agreement with the Interim Finance Provider or 3 days of the appointment of the other Professional, whichever is later
Prospective Resolution Applicant(s)	Supply of information memorandum to the Prospective Resolution Applicant or 3 days of the appointment of the other Professional, whichever is later.
If relationship with any of the above, comes to notice or arises subsequently	of such notice or arising

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Annexure-1: Detailed analysis of Circular No. IP/005/2018 dated 16/01/2018- continues

- **Relationship' as stated above shall mean any one or more of the four kinds of relationships at any time or during 3 years preceding the appointment:**

Kind of Relationship	Nature of Relationship
A	Where IP or the Other Professional, as the case may be, has derived 5% or more of his / its gross revenue in a year from professional services to the related party.
B	Where IP or the Other Professional, as the case may be, is a Shareholder, Director, Key Managerial Personnel or Partner of the related party.
C	Where a relative (Spouse, Parents, Parents of Spouse, Sibling of Self and Spouse, and Children) of the Insolvency Professional or the Other Professional, as the case may be, has a relationship of kind A or B with the related party.
D	Where IP or the Other Professional, as the case may be, is a partner or director of a company, firm or LLP, such as, an IPE or Registered Valuer, the relationship of kind A, B or C of every partner or director of such company, firm or LLP with the related party.

- An IPA to facilitate receipt of disclosures as required above and disseminate such disclosures on its web site within 3 working days of receipt of the disclosure. A model schematic presentation of disclosures for guidance of IPAs and IPs is enclosed at Annexure A to Circular, please refer the same.

- IP shall provide a confirmation to IPA to the effect that the appointment of every other professional has been made at arms' length relationship.

- The disclosures shall be made in respect of ongoing resolution processes as on date and all subsequent resolution processes.

- Any wrong disclosure and delayed disclosure shall attract action against the Insolvency Professional and the other Professional as per the provisions of the law.

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Note

This document is prepared, summarized and consolidated on the basis of circulars issued by and taken from the portal of Insolvency and Bankruptcy of India. For exact information and implementation, please refer related circular.

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