

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**NOTIFICATION**

New Delhi, the 22nd July, 2021

Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021

No. IBBI/2021-22/GN/REG077.- In exercise of the powers conferred by sections [196](#), [207](#) and 208 read with section 240 of the Insolvency and Bankruptcy Code, [2016 \(31\)](#) of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations further to amend the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (hereinafter referred to as ‘the principal regulations’), in regulation 5, in clause (c),-

(i) for sub-clause (iii), the following sub-clause shall be substituted, namely: -

“(iii) experience of -

- (a) ten years in the field of law, after receiving a Bachelor’s degree in law;
- (b) ten years in management, after receiving a Master’s degree in Management or two-year full time Post Graduate Diploma in Management; or
- (c) fifteen years in management, after receiving a Bachelor’s degree,

from a university established or recognised by law or an Institute approved by All India Council of Technical Education; or”

(ii) after sub-clause (iv), the following shall be inserted, namely: -

“Explanation 1.- For the purposes of this regulation, only professional and managerial experience shall be considered.

Explanation 2.- For the purpose of computing,-

- (a) the total experience of 10 or 15 years under sub-clause (iii), there shall be included experience of any period under sub-clause (iv);
- (b) the total experience of 10 years under sub-clause (iv), there shall be included experience of any period under any of the items of that sub-clause.

Illustration 1

Where an individual has experience of nine years under sub-clause (iii) and experience of six years under sub-clause (iv), he shall be considered having experience of fifteen years for the purposes of sub-clause (iii).

Illustration 2

Where an individual has experience of 6 years under item (a) of sub-clause (iv) and experience of four years under item (d) of sub-clause (iv), he shall be considered as having total experience of 10 years for the purposes of sub-clause (iv).

3. In the principal regulations, regulation 9 shall be omitted.

4. In the principal regulations, in regulation 12,-

(i) in sub-regulation (1),-

(a) in clause (c), for the words ‘its shares’, the words ‘its equity shares’ shall be substituted.

(b) for the proviso, the following shall be substituted, namely:-

“Provided that the insolvency professional entities recognised before the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021 shall comply with the provisions of clauses (b) and (c) on or before 31st December 2021.

Explanation.- For the purposes of clause (b) of this sub-regulation, ‘net worth’ means-

(i) the net worth as defined under section 2(57) of the Companies Act, 2013 in case of a company;

(ii) sum of partners’ contribution in the capital account and their undistributed profits net of accumulated losses, if any, in case of a registered partnership firm or limited liability partnership.”;

(ii) after sub-regulation (2), the following sub-regulations shall be inserted, namely: —

“(3) The Board shall acknowledge an application made under this regulation within seven days of its receipt.

(4) The Board may, after examination of the application,-

(i) require the applicant to submit, within reasonable time, additional documents, information or clarification;

(ii) inspect or inquire the applicant;

(iii) require any of the directors or partners of the applicant to appear, within a reasonable time, before it in person for any clarifications,

as may be necessary for the purpose of considering the application.”

5. In the principal regulations, in regulation 13, -

(i) for sub-regulation (1), the following sub-regulation shall be substituted, namely: -

“(1) (a) Where the Board, after consideration of the application under sub-regulation (4) of regulation 12,-

(i) is satisfied that the applicant is eligible under these Regulations, it may grant a certificate of recognition as an insolvency professional entity within sixty days of receipt of the application, excluding the time taken by the applicant for submitting additional documents, information or clarification, or appearing in person, as the case may be, under sub-regulation (4) of regulation 12;

(ii) is of the *prima facie* opinion that the recognition ought not be granted, it shall communicate such opinion along with reasons thereof and provide the applicant an opportunity to submit its explanation within fifteen days of the receipt of the communication from the Board, to enable it to form a final opinion.

(b) The Board shall, within thirty days of receipt of the explanation, if any, submitted by the applicant under clause (a), -

(i) grant a certificate of recognition as an insolvency professional entity; or

(ii) reject the application by an order, after recording reasons thereof.

(c) The Board shall grant a certificate of recognition as an insolvency professional entity under clause (a) or (b) in Form D of the Second Schedule.”;

(ii) in sub-regulation (2), in clauses (b) and (c), for the word ‘seven’, the word ‘thirty’ shall respectively be substituted.

6. In the principal regulations, in the First Schedule, after clause 22, the following clarification shall be inserted, namely: -

“Clarification: An insolvency professional may, at any point of time, not have more than ten assignments as resolution professional in corporate insolvency resolution process, of which not more than three shall have admitted claims exceeding one thousand crore rupees each.

Dr. M. S. SAHOO, Chairperson
[ADVT.-III/4/Exty./158/2021-22]

Note: The Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 were published *vide* notification No. IBBI/2016-17/GN/REG003 dated 23rd November, 2016 in the Gazette of India, Extraordinary, Part III, Section 4, No. 424 on 23rd November, 2016 and were last amended by the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2021 published *vide* notification No. IBBI/2021-22/GN/REG073 dated 27th April 2021 in the Gazette of India, Extraordinary, Part III, Section 4, No. 185 on 27th April 2021.