

## IBBI Updates

### **A. Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2020**

- In the wake of COVID-19, IBBI vide its Notification No. IBBI/2020-21/GN/REG060 dated **April 17, 2020** have notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2020. These Regulations have into force from immediate effect.
- In Principle regulation, following regulation is inserted:  
**Reg. 47A-** In the wake of COVID-19, the period of lockdown imposed by the Central Government shall not be counted for the purposes of computation of the time-line for any task that could not be completed due to such lockdown, in relation to any liquidation process. The link for aforesaid amendment is mentioned below:  
<https://www.ibbi.gov.in/uploads/whatsnew/4697af9d01b6c12c0816f4be28ea6835.pdf>

### **B. Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2020**

- IBBI vide its Notification No. IBBI/2020-21/GN/REG056 dated **April, 20, 2020** have notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2020 and amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the 'Principal Regulation').
- These regulations are deemed to have come into force from the March 25, 2020.
- In Principal Regulation 40B (4) following sub-regulation is substituted:  
A fee of Rs. 500 per Form for each calendar month of delay after 1st October, 2020 shall be attracted for filing of a Form under this regulation after due date.  
The link for aforesaid amendment is mentioned below:  
<https://www.ibbi.gov.in/uploads/legalframwork/ba2702f58a4ed1841e0e7a9a71ba40ec.pdf>

### **C. Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020**

- IBBI vide its notification dated **April, 20, 2020** have notified the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020 and amended the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 (hereinafter referred to as the 'Principal Regulation').
- These regulations are deemed to have come into force from the March 28, 2020.
- In Principal Regulation, in the Schedule in clause 12A following are the amendments:
  - i. **In Sub-clause (5) following is inserted:** For an application received on and from the date of commencement of these Regulations and ending on the 30th September 2020, if the authorisation for assignment is not issued, renewed or rejected by the Agency within 30 days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.

- ii. **In Sub-clause (7) following is inserted:** Where an application for issue of authorisation for assignment has been rejected by an insolvency professional agency, on and from the date of commencement of these Regulations and ending on the 30th September, 2020, the aggrieved applicant may appeal to the Membership Committee within 30 days from the date of receipt of order.

The link for aforesaid amendment is mentioned below:

<https://ibbi.gov.in/uploads/legalframework/23c5bbe11eb00b841e13759bc66e6504.pdf>

#### **D. Governance Structure of Registered Valuers Organisation (RVOs)**

- IBBI has reconstituted the Governance Structure of Registered Valuer Organisation (RVOs) to act as front-line regulators for development and regulation of the valuation profession vide Circular No. No. IBBI/RVO/033/2020 dated **April 23, 2020**. The IBBI has brought this clarification to ensure that the letter and spirit of the rules are followed.
- It is now clarified that the promoter organisation of an RVO cannot appoint its own members — shareholder member in the case of a company, a trustee in case the promoter is a trust, and a professional member in case the promoter is a professional body — as independent directors in the RVO.
- Under the prevailing rules, the chairperson of an RVO is required to be an independent director, and a shareholder of an RVO is not allowed to be appointed as an independent director.
- The board of an RVO should comprise 50 per cent nominee directors and 50 per cent independent directors.
- To avoid conflict of interest, the IBBI has clarified that even a member of a promoter organisation of the RVO cannot be appointed as an independent director (and consequently cannot be appointed as chairperson).
- IBBI has given RVOs who do not conform to this norm three months to reconstitute their boards.

The link for aforesaid amendment is mentioned below:

<https://www.ibbi.gov.in/uploads/legalframework/be0b50ba79190e8cb8ea7a5f289798a6.pdf>