

INSOLVENCY AND BANKRUPTCY CODE

CA. Pravin Navandar, CA. Mukund Mall

IBBI amends norms: allows Insolvency Professional Entities to act as IPs

Regulator IBBI has allowed Insolvency Professional Entities (IPEs) to act as insolvency professionals, a move that is likely to help in speedier resolution process. Till now, only individuals were permitted to register as an insolvency professional under the Insolvency and Bankruptcy Code (IBC).

“Considering the limitations on the part of an Insolvency Professional (IP), being an individual, in dealing with processes under the Code requiring concurrent efforts, and multi-disciplinary expertise, the board decided to institutionalise the profession of IP,”

IBBI has amended the regulations governing IPs to enable recognised IPEs to carry on the activities of IPs.

“An IPE, recognised by the board, can seek registration as an IP with the board, by making an application in the specified form along with a non-refundable application fee of two lakh rupees,”

“An IPE which is registered as an IP shall allow only its partner or director, as the case may be, who is an IP and holds a valid Authorisation for Assignment, to sign and act on behalf of it.”