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IBBI Issues New Guidelines for Insolvency Professionals to Update Appointments on Its Portal

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The Insolvency and Bankruptcy Board of India (IBBI) has introduced a new circular that formalizes the process for insolvency professionals (IPs) to update their appointments on the IBBI portal. This move aims to improve record-keeping, reduce compliance burdens, and ensure timely regulatory reporting.

The circular applies to all registered insolvency professionals, recognized insolvency professional entities, and registered insolvency professional agencies. It requires them to update their assignments on the IBBI portal whenever they are appointed to handle various insolvency and liquidation processes.

Insolvency professionals take up different roles under the Insolvency and Bankruptcy Code, 2016. These include serving as Interim Resolution Professionals (IRPs) and Resolution Professionals (RPs) in Corporate Insolvency Resolution Processes (CIRP), liquidators in liquidation and voluntary liquidation processes, and administrators for financial service providers. They are also responsible for managing insolvency and bankruptcy cases involving personal guarantors. The circular makes it mandatory for IPs to report all such appointments on the IBBI portal to ensure that the board has an up-to-date record of ongoing cases.

To enable this, the IBBI has provided each insolvency professional with a unique username and password to access the electronic portal. Once logged in, the professional must enter details such as the case name, role, date of appointment, and relevant court order. The assignment will be reviewed and approved by IBBI. Only after this approval can the professional proceed with further regulatory requirements.

After updating their assignments, insolvency professionals must comply with other reporting obligations. These include making public announcements about insolvency proceedings, issuing Expressions of Interest (EOI) to attract resolution applicants, publishing auction notices for asset sales, and filing statutory documents required under the law. By ensuring that all these details are recorded in a structured manner, IBBI aims to enhance transparency and accountability in the insolvency resolution process.

The circular also sets deadlines for updating the portal. For new cases, insolvency professionals must add their assignments within three days of appointment. For ongoing cases that started before the circular was issued, assignments must be updated by February 28, 2025. For closed cases that were never reported earlier, professionals have until March 31, 2025, to update their assignments, except for cases involving personal guarantors, which have a deadline of April 30, 2025.

This directive is issued under Section 196 of the Insolvency and Bankruptcy Code, 2016, which grants IBBI the power to regulate and monitor insolvency professionals. By enforcing these guidelines, the board aims to create a more structured, efficient, and accountable insolvency framework in India.

The introduction of this structured reporting mechanism marks a significant step toward strengthening the insolvency resolution framework in India. By ensuring that all insolvency professionals promptly update their appointments and comply with reporting requirements, the IBBI is encouraging greater transparency, efficiency, and accountability in the process. This initiative simplifies compliance for professionals and enhances regulatory oversight, ultimately benefiting creditors, debtors, and the overall financial ecosystem. As the insolvency landscape continues to evolve, such measures will be central to maintaining trust and ensuring the effective implementation of the Insolvency and Bankruptcy Code, 2016.

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