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INSOLVENCY & BANKRUPTCY

IBBI (Insolvency Professionals) (Second Amendment) Regulations, 2025 : An analysis

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The Insolvency and Bankruptcy Board of India (“Board”), vide Notification No. IBBI/2025-26/GN/REG132 dated 20 November 2025 and published in the Gazette of India on 21 November 2025, has promulgated the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2025 (“Amendment Regulations”). The instrument is the second set of amendments made to the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (“Principal Regulations”) in the current calendar year and takes effect ex nunc.

The Amendment Regulations are issued under the composite powers conferred by Sections 196, 207 and 208 read with Section 240 of the Insolvency and Bankruptcy Code, 2016 (“Code”)..

Substantive Amendments

1. Insertion of Regulation 7B – Quantitative Ceiling on Assignments

A new Regulation 7B has been grafted into the Principal Regulations immediately after the existing Regulation 7A. The provision enacts an absolute numerical cap:

(i) An insolvency professional who is not an “insolvency professional entity” shall not, at any point of time, hold more than ten concurrent assignments in the aggregate.

(ii) The cap subsumes every capacity in which the professional may be appointed – interim resolution professional, resolution professional in a corporate insolvency resolution process, and liquidator in a liquidation process.

(iii) Within the overall limit of ten, not more than three assignments may relate to processes where the admitted claims exceed one thousand crore rupees each.

(iv) A non-obstante proviso protects pre-existing engagements: professionals who, on the commencement date, exceed the prescribed thresholds are debarred from accepting any fresh assignment until their live tally falls below the ceiling.

2. Amendment to the Code of Conduct (First Schedule)

(i) Clause 6 – The expression “the approval of the Board” has been substituted by “the prior approval of the Adjudicating Authority”, thereby transferring the locus of sanction from the executive regulator to the jurisdictional Bench of the National Company Law Tribunal.

(ii) Clause 22 – shall be omitted

Juridical Implications

The Amendment Regulations herald a major shift from self-declared workload management to a hard statutory ceiling. The twin levers – quantitative cap and re-allocation of approval authority – are evidently designed to mitigate timeline slippages and enhance fiduciary oversight. Professionals already breaching the limit face an immediate moratorium on new appointments, with attendant consequences under Section 220 of the Code for non-compliance.

Concluding Observations

By compressing the permissible portfolio of individual IPs and reposing critical approvals with the Adjudicating Authority, the Board has signalled its intent to prioritise qualitative compliance over numerical expansion. Stakeholders must promptly audit existing mandates, re-calibrate engagement pipelines and embed the revised thresholds within internal risk frameworks to avert regulatory exposure.

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