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Streamlining Insolvency Appointments: IBBI’s Second (2025) Guidelines for Professionals

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The Insolvency and Bankruptcy Board of India ("Board") has, on 21 November 2025, released the Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (Second) Guidelines, 2025 ("Second Guidelines"). The instrument is intended to operationalise the mandate contained in Sections 16(4), 34(6), 97(4), 98(3), 125(4), 146(3) and 147(3) of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 8(2) of both the 2019 sets of Rules applicable to personal guarantors. The immediate trigger is the need to eliminate the administrative lag that occurs each time the Adjudicating Authority seeks a recommendation for appointment of an insolvency professional. By preassembling a zonewise and benchwise panel in advance, the Board expects to compress the timeline between reference and assumption of office by the chosen professional.

The Second Guidelines will be effective for a compact, sixmonth cycle commencing 1 January 2026 and ending 30 June 2026, thereby replacing the earlier set issued on 27 May 2025 which stands repealed on the date the new panel becomes operational. All actions taken under the repealed instrument, however, are expressly saved, ensuring that pending appointments or ongoing processes are not disturbed.

An insolvency professional can enter the panel only if no disciplinary proceeding, whether instituted by the Board or by the recognised Insolvency Professional Agency, is pending; he has not suffered a conviction in any court of competent jurisdiction during the preceding three years; he has submitted an unconditional expression of interest; and he holds an Authorisation for Assignment (AFA) that remains alive until the last day of the panel's currency. The requirement that the AFA remain valid until 30 June 2026 is absolute; any expiry beforehand disqualifies the applicant ab initio.

The expression of interest is to be tendered in Form A, which is dispatched electronically to every registered professional. The submission window closes on 22 December 2025, and the completed Form must carry an unqualified consent to be Interim Resolution Professional, Liquidator, Resolution Professional or Bankruptcy Trustee in relation to any corporate or individual debtor that may be assigned by any bench of the Adjudicating Authority. The professional is further obliged to declare the sectors in which he has handled or is handling assignments. The Board will thereafter compile the data and transmit the final panel to all principal benches of the Adjudicating Authority by 31 December 2025.

The panel is conceived as a single, common repository for all four roles (IRP, RP, Liquidator and BT) and is disaggregated zone wise and bench wise in conformity with the geographical mapping set out in Annexure1. Professionals registered as Insolvency Professional Entities are exempted from the zone restriction and remain eligible for pan India appointment. Sorting within each zone is first by the volume of ongoing assignments and, where scores are equal, by the chronological order of registration with the Board, the earlier registrant taking precedence. This twin criteria formula is intended to balance workload distribution while respecting seniority.

Consent, once tendered, is irrevocable. Inclusion in the panel is deemed an undertaking to accept appointment whenever called upon by any Adjudicating Authority. Withdrawal or refusal is permissible only with the prior sanction of the Authority or the Board; unjustified refusal attracts an immediate excision from the panel and a six-month debarment from future panels. During the validity of the panel the professional is also expected not to surrender his registration, membership or AFA, thereby ensuring continuity of service. The Authority retains the residual power to appoint from outside the panel if the facts of a given case so warrant; in such an event the Board may either recommend a name from the existing list or identify a fresh professional, thus preserving operational flexibility.

By compressing the appointment pipeline, embedding transparent eligibility filters and coupling consent with accountability, the Second Guidelines mark a calibrated evolution in the administration of the Code. They simultaneously retire the May 2025 framework without disturbing accrued rights. For stakeholders the message is clear: from 1 January 2026, insolvency appointments will move faster, but the professionals who accept them must do so with eyes wide open and obligations firmly locked in.

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