



## MOU signed between two Regulatory Authorities IBBI and RBI

Date of Amendment: March 12, 2018

# 01.

RBI and the IBBI both are interested in the effective implementation of the Code and its allied rules and regulations, through a quick and efficient resolution process. Therefore, they have agreed under the MoU to assist and co-operate with each other for the effective implementation of the Code, subject to limitations imposed by the applicable laws.

## New Eligibility criteria for IP & IPE

Date of Amendment: March 28, 2018

A company, a registered partnership firm or a limited liability partnership shall be eligible for recognition as an insolvency professional entity, if:

1. Its sole objective is to provide support services to insolvency professionals, who are its partners or directors, as the case may be;
2. It has a net worth of not less than one crore rupees;
3. Majority of its shares is held by insolvency professionals, who are its directors, in case it is a company;
4. Majority of capital contribution is made by insolvency professionals, who are its partners, in case it is a limited liability partnership firm or a registered partnership firm;
5. Majority of its partners or directors, as the case may be, are insolvency professionals;
6. Majority of its whole-time directors are insolvency professionals, in case it is a company; and
7. None of its partners or directors is a partner or a director of another insolvency professional entity.

# 02.

## Relaxation of MAT for companies under CIRP

Date of Amendment: January 06, 2018

With the view to minimize the genuine hardship face by the company against whom an application for Corporate Insolvency Resolution Process has been admitted by the Adjudicating Authority, under section 8 or 9 or 10 of the IBC it has been decided, that, with effect from Assessment year 2018-19 (i.e. Financial Year 2017-18), the amount brought forward (including unabsorbed depression) shall be allowed to be reduced from the book profit for the purposes of levy of MAT under 115JB of the Act.

## No to Outsource Responsibilities for Insolvency Professionals

Date of Amendment: January 03, 2018

It has been observed that a few insolvency professionals are advising the prospective resolution applicants to submit a certificate from another person to the effect that they are eligible to be resolution applicants. This requirement amounts to outsourcing responsibilities of an insolvency professional to another person. Further, this adds to cost of the resolution applicant and delays submission of resolution plans. The Code read with regulations does not envisage such a certification from a third person.

# 04.

## Expenses Meaning Expanded

Date of Amendment: March 28, 2018

Subject: 1. Under Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2018, in the Regulation 33, the explanation of expenses is substituted, as:  
"Expenses" include the fee to be paid to the Interim Resolution Professional, fee to be paid to insolvency professional entity, if any, and fee to be paid to professionals, if any, and other expenses to be incurred by the interim resolution professional."  
Subject: 2. Under Regulation 34 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2018  
"Expenses" include the fee to be paid to the Resolution Professional, fee to be paid to insolvency professional entity, if any, and fee to be paid to professionals, if any, and other expenses to be incurred by the resolution professional."

# 05.

## Insolvency Professional to use his details in all communications

Date of Amendment: January 03, 2018

It is hereby directed by IBBI that, Insolvency professional in all his communications, whether by way of public announcement or otherwise to a stakeholder or to an authority, an insolvency professional shall prominently state:

1. His name, address and email, as registered with the IBBI,
2. His Registration Number as an insolvency professional granted by the IBBI, and
3. The capacity in which he is communicating.

# 06.

## Timeline for rendering valuation services extended

Date of Amendment: 30th September, 2018

A person who may be rendering valuation services under the Companies Act, 2013 on the date of commencement of the Rules, may continue to render valuation services without a certificate of registration under the Rules up to 30th September, 2018.

# 07.

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