

# ICSI Institute of Insolvency Professionals (ICSI IIP) Enrollment & Eligibility for Professional Member

## Guidelines:

### Eligibility Criteria/Procedure for Enrolment

#### A. Insolvency Professional

Section 206 of the Insolvency and Bankruptcy Code, 2016 (Code) provides as follows:

“No person shall render his services as insolvency professional under this Code without being **enrolled as a member of an insolvency professional agency and registered with the Board.**”

#### B. Eligibility to Register as an Insolvency Professional (IP) with IBBI /Enrol Professional Member with ICSI IIP

I. Regulation 4 of the IBBI (Insolvency Professionals) Regulations, 2016 specifies the eligibility criteria to register as an IP. According to this Regulation, no individual shall be eligible to be registered as an Insolvency professional:

- (a) If he is a minor.
- (b) If he is not a person resident in India.
- (c) If he does not have the qualification and experience specified in Regulation 5.
- (d) If he has been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered.
- (e) If he is an undischarged insolvent or has applied to be adjudicated as an insolvent.
- (f) If he has been declared to be of unsound mind.
- (g) If he is not a fit and proper person. For determining whether an individual is fit and proper under these Regulations, IBBI may take account of any consideration as it deems fit, including but not limited to the following criteria-
  - (i) integrity, reputation and character,
  - (ii) absence of convictions and restraint orders, and
  - (iii) competence, including financial solvency and net worth.

II. Clause 9 of the By Laws of ICSI IIP states that no individual shall be enrolled as a professional member with ICSI IIP if he is not eligible to be registered as an Insolvency Professional with the Board.

#### C. Qualifications and Experience to Register as an Insolvency Professional

**Step I.** A person should have the following qualifications to register as an Insolvency Professional.

- Chartered Accountant, Company Secretary, Cost Accountant and Advocate who has enrolled as a member of respective Institute/Bar Council and has ten years of experience [Regulation 5(c)(iv) of the IBBI (Insolvency Professionals) Regulations, 2016].
- A Graduate who has Fifteen years of experience in management, after receiving a Bachelor's degree from a university established or recognized by law. [Regulation 5(c) (iii) of the IBBI (Insolvency Professionals) Regulations, 2016].
- Successfully completed the National Insolvency Programme, as may be approved by the IBBI [Regulation 5(c)(i) of the IBBI (Insolvency Professionals) Regulations, 2016]. IBBI has yet to notify this programme.
- Successfully completed the Graduate Insolvency Programme GIP, as may approved by the IBBI [Regulation 5(c)(ii) of the IBBI (Insolvency Professionals) Regulations, 2016].

**Step II.** The person who has one of the above qualifications must pass the Limited Insolvency Examination conducted by IBBI.

**Step III.** He is required to apply for enrolment as a professional member with an Insolvency Professional Agency (IPA) within twelve months before the date of his passing the Limited Insolvency Examination [Regulation 5(a) of the IBBI (Insolvency Professionals) Regulations, 2016].

**Step IV.** After his enrolment as professional member, he is required to complete the mandatory 50 hours Pre-Registration Educational Course from an IPA. [Regulation 5(b) of the IBBI (Insolvency Professionals) Regulations, 2016].

**Step V.** Thereafter, he will be eligible to apply for Registration as an Insolvency Professional with IBBI.

#### **D. Procedure for Enrolment as a Professional Member**

(a) ICSI IIP shall examine the application in accordance with the applicable provisions of the Code, and rules, regulations and guidelines thereunder.

(b) Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016 requires an **Insolvency Professional to abide by the Code of Conduct at all the times.**

(c) Clause 23 of the Code of Conduct reads as follows:

“An insolvency professional must not engage in any employment when he holds a valid Authorisation for Assignment or when he is undertaking an assignment.”

**This would enable an individual to seek registration as insolvency professional even when he is in employment. He must, however, discontinue employment when he wishes to have an Authorisation for Assignment.** He may surrender Authorisation for Assignment when he wishes to take up employment.

(d) Before enrolling a person as its Professional Member ICSI IIP is required to verify the followings:

- i) Whether any disciplinary proceedings are pending, or any disciplinary action has been taken at any time in the preceding three years against the professional member by the ICAI, ICSI, ICAI(Cost), or Bar Council, of which he is a Member.
- ii) Whether a regulator ICAI, ICAI (Cost), ICSI, or Bar Council has initiated any criminal proceeding against the professional member and is pending for disposal?
- iii) Whether the professional member had an unblemished service with the last employer if he was in employment? The applicant has to submit a Conduct Certificate from his last employer.
- iv) Whether the name of the professional member appears in the databases of Ministry of Corporate Affairs regarding
  - a) Directors disqualified under section 164 of the Companies Act, 2013, or
  - b) Proclaimed Offenders under Section 82 of the Code of Criminal Procedure, 1973.
  - c) For this purpose, the applicant needs to provide his DIN (if he has one) or has to declare that he has no DIN.
- v) Whether the professional member has been penalised by a market regulator i.e. SEBI and CCI in the last three years?
- vi) Whether the name of professional member appears in the list of defaulters of RBI/Credit
  - a) Information Company. For Credit Information, the applicant has to provide his CIBIL report after obtaining the same from a registered Credit Information Company.

(e) After examination of the application, ICSI IIP shall give an opportunity to the applicant to remove the deficiencies, if any, in the application.

(f) ICSI IIP may require an applicant to submit additional documents, information or clarification that it deems fit, within reasonable time.

(g) ICSI IIP may reject an application if the applicant does not satisfy the criteria for enrolment or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing.

(h) The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, **within thirty days of the receipt of the application**, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the ICSI IIP, as the case may be.

(i) The primary acceptance of the application shall be communicated to the applicant, along with the Temporary number.

(j) ICSI IIP will issue a Certificate of Membership to the enrolled member.

#### **E. Appeal against the order of Application for Enrolment**

(a) An applicant aggrieved of a decision rejecting his application may appeal to the Membership Committee of the Agency within thirty days from the receipt of such decision.

(b) The Membership Committee shall pass an order disposing of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

#### **Limited Insolvency Examination**

IBBI is notifying syllabus for the Limited Insolvency Examination from time to time.

The syllabus, format, qualifying marks and frequency of the Limited Insolvency Examination shall be Published on the website of the Board at least three months before the examination. [Regulation 3(3) of the IBBI (Insolvency Professionals) Regulations, 2016]

For syllabus, registration process for the examination please visit:

<https://www.ibbi.gov.in/examination/limited-insolvency-examination>

#### **Fees to ICSI Institute of Insolvency Professionals**

(1) Enrolment Fees -

a) One-time non-refundable Enrolment Fee of Rs. 5,000/- (Rupees Five Thousand only) plus GST @ 18% to be paid along with the Enrolment Form/Application.

(2) Annual Membership Fees of ICSI IIP -

a) Annual Membership Fee Rs. 10,000/- (Rupees Ten Thousand only) plus GST @ 18% and is due wef 01, April of each year.

b) Membership Fee is charged at 50% of the Annual Membership Fee i.e. an amount of Rs. 5000/- (Rupees five thousand only) plus GST @ 18% w.e.f. 1st October of each Financial Year.

c) Members enrolled with ICSIIP must pay an Annual membership fee Rs. 10,000/- (Rupees Ten Thousand only) plus applicable taxes @ 18% for each Financial Year. The fees should be received by ICSI IIP on before 30th June of every year without incurring any penalty. In case the member fails to pay the annual membership fees Authorisation of Assignment (AFA) will not be issued.