INSTITUTE OF INSOLVENCY PROFESSIONALS
(Subsidiary of ICSI and Insolvency Professional Agency of IBBI)

IBC UPDATE-7/2026
(03/11/2026)

"IBBI amends CIRP Regulations for real estate projects; aims to speed up resolution and protect homebuyers"

Dear Professional Member,

Greetings from **ICSI Institute of Insolvency Professionals (ICSI IIP)**!

On 30th October, 2026, the Insolvency and Bankruptcy Board of India (IBBI) has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2026, and amended the CIRP Regulations to make insolvency resolution of real estate companies more effective, transparent, and focused on project completion and protection of homebuyers' interests.

Key Highlights

- A key change is the requirement for project-wise financial discipline. Separate bank accounts must be maintained for each real estate project, and project-specific financial details must be regularly placed before the Committee of Creditors (CoC). The framework also emphasizes compliance with fund utilisation requirements under RERA.

- The amendments require Resolution Professionals to place project-wise information before the CoC at an early stage, including the status of construction, registrations, and possession. Based on this information, the CoC may recommend exclusion of specific projects from the insolvency process where appropriate, subject to approval by the Adjudicating Authority.

- To improve the quality of resolution plans, independent assessments of construction status, completion costs, timelines, approvals, and funding requirements must be carried out before inviting prospective resolution applicants. The findings will form part of the Information Memorandum.

- The disclosure framework has also been expanded. The Information Memorandum must contain detailed project-wise information, including construction progress, inventory, regulatory approvals, litigation, encumbrances, statutory dues, and details of allottees available in company or RERA records.

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- Homebuyer representation has been strengthened by requiring greater transparency in the appointment and functioning of Authorised Representatives (ARs). Their interactions with creditors and views placed before the CoC must now be properly recorded.

- The amendments further provide for homebuyer participation in monitoring the implementation of approved resolution plans. Representatives of allottees and, where applicable, regulatory authorities may be included in monitoring committees overseeing plan execution.

- Resolution plans for real estate companies must now include project-wise completion details, timelines for delivery and possession, treatment of homebuyers' claims, and periodic progress reporting. Importantly, the interests of allottees appearing in available records must also be addressed even if they have not filed claims in the CIRP.

- The amendments also enable the CoC to approve handover of possession and registration of units in favour of eligible homebuyers during the insolvency process, helping reduce delays in delivery.

- Finally, the regulations clarify that the Resolution Professional must continue performing duties until disposal of a withdrawal application under Section 12A of the IBC, and extend confidentiality protections to valuation reports.

Link of the IBBI circular

For complete details, please refer to the amendments available on the IBBI website: https://ibbi.gov.in/uploads/legalframwork/9b30068d5a4280a7d10803b23a7e60cb.pdf

Members are encouraged to stay updated on these regulatory developments as they have a direct bearing on ongoing and future assignments under the Code.

We hope the above update is useful in your professional endeavours.

Warm regards,
Team ICSI Institute of Insolvency Professionals (ICSI IIP)

This communication is being circulated for information and awareness of insolvency professionals and other stakeholders.