

Key Highlights of
Amendments in IBBI (Liquidation Process) Regulations, 2016 dated 16th September 2022

HEADING	REGULATIONS AMENDED/INSERTED	AMENDMENT
<u>Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2022¹</u>		
Compromise or Arrangement	Proviso to Regulation 2B	Where CoC decides that the process of compromise or arrangement may be explored, the liquidator shall file application before the AA within 30 days of the order of liquidation
Fixation of Fee of Liquidator	Regulation 4(1A)	SCC, in its first meeting may fix the fees of the liquidator, if the CoC did not fix the same while proposing the liquidation.
Submission of Claims	Regulation 12(2)(c)	If a stakeholder does not submit its claims during the liquidation process, the claims submitted and duly collated by the IRP/RP during CIRP shall be deemed to be submitted.
Process Email ID	Regulation 12A	The liquidator shall operate the process email account which was handed over to him by the resolution professional and in the vent of replacement, the credentials of the same shall be handed over to the new liquidator.
Filing Progress Reports	Regulation 15(1)	Copy of progress reports to be submitted to the Board when the same is filed with AA. Format of profess report to be provided in detail by the Board.
Verification of claims	Regulation 30	Liquidator shall verify all claims(submitted during liquidation as well as collated during CIRP but not submitted during liquidation).
Streamlining the constitution of SCC and enlarging the scope of SCC consultation	Regulation 31A	CoC shall function as Stakeholders' Consultation Committee (SCC) for first 60 days and the first meeting of SCC within seven days. SCC will be reconstituted with voting rights based on amount of admitted claims within 60 days. Shareholders/ partners and related creditors to have representation in SCC without voting right. SCC may also replace the liquidator with a 66% vote. SCC, in its first meeting, may fix the fees of the liquidator, if the CoC did not fix the same under regulation 39D of the CIRP Regulations
Preparing Assets Memorandum	Regulation 34	Where the valuation conducted during CIRP is being considered, the Liquidator shall prepare the Asset Memorandum within 30 days, while using the information

¹ <https://ibbi.gov.in/uploads/legalframework/f4b9ec30ad9f68f89b29639786cb62ef.pdf>

		provided in IM and in other cases, the AM shall be prepared within 75 days. AM to be shared with SCC after receiving confidentiality undertaking and with the Board.
Treatment of Avoidance Transaction	Regulation 44A	Before application for dissolution or closure of process is filed, SCC shall decide the manner in which proceedings in respect of avoidance transactions or fraudulent or wrongful trading will be pursued after closure of liquidation proceedings and the manner in which the proceeds from such proceedings shall be distributed.
Preservation of records	Regulation 45A	Liquidator shall retain records relating to liquidation in physical form for a minimum period of 3 years and in electronic form for a minimum period of 8 years
<u>Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2022²</u>		
Preservation of records	Regulation 41	The liquidator shall preserve copies of all such records which are required to give a complete account of the voluntary liquidation process.

² <https://ibbi.gov.in/uploads/legalframework/812b4ba287f5ee0bc9d43bbf5bbe87fb.pdf>