

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

PRESS RELEASE

7th December, 2017

The Insolvency and Bankruptcy Board of India notifies Regulations for handling of Grievances and Complaints

The Insolvency and Bankruptcy Board of India (IBBI) has notified the IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 in the Gazette of India on 7th December, 2017. The regulations enable a stakeholder, namely, debtor, creditor, claimant, service provider, resolution applicant or any other person having an interest in an insolvency resolution, liquidation, voluntary liquidation or bankruptcy transaction under the Insolvency and Bankruptcy Code, 2016 (Code), to file a grievance or a complaint against a service provider, namely, insolvency professional agency, insolvency professional, insolvency professional entity or information utility. The regulations provide for an objective and transparent procedure for disposal of grievances and complaints by the IBBI, that does not spare a mischievous service provider, but does not harass an innocent service provider.

2. A stakeholder may file a grievance that shall state the details of the conduct of the service provider that has caused the suffering to the aggrieved; details of suffering, whether pecuniary or otherwise, the aggrieved has undergone; how the conduct of the service provider has caused the suffering of the aggrieved; details of his efforts to get the grievance redressed from the service provider; and how the grievance may be redressed.

3. A stakeholder may file a complaint in the specified form along with a fee of rupees two thousand and five hundred. A complaint needs to state the details of the alleged contravention of any provision of the Code, or rules, regulations, or guidelines made thereunder or circulars or directions issued by the IBBI by a service provider or its associated persons; details of alleged conduct or activity of the service provider or its associated persons, along with date and place of such conduct or activity, which contravenes the provision of the law; and details of evidence in support of alleged contravention. If the complaint is not frivolous or malicious, the fee will be refunded.

4. Where the IBBI is of the opinion that there exists a prima facie case, it may order an inspection under sub-regulation (3) of regulation 3, order an investigation under sub-regulation (2) of regulation 7 or issue a show cause notice under sub-regulation (2) of regulation 11 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017, as may be warranted and the matter shall be proceeded accordingly.

5. The regulations are effective from 7th December, 2017. These are available at www.mca.gov.in and www.ibbi.gov.in.