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INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 7<sup>th</sup> NOVEMBER, 2017

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION  
PROCESS FOR CORPORATE PERSONS) (THIRD AMENDMENT)  
REGULATIONS, 2017**

No. IBBI/2017-18/GN/REG019. -In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy, Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2017.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ( hereinafter referred to as the principal regulations), in regulation 38, after sub-regulation (2), the following sub-regulation shall be inserted, namely: -

“(3) A resolution plan shall contain details of the resolution applicant and other connected persons to enable the committee to assess the credibility of such applicant and other connected persons to take a prudent decision while considering the resolution plan for its approval.

*Explanation* : For the purposes of this sub-regulation,-

- (i) ‘details’ shall include the following in respect of the resolution applicant and other connected person, namely:-
  - (a) identity;
  - (b) conviction for any offence , if any, during the preceding five years;
  - (c) criminal proceedings pending, if any;
  - (d) disqualification, if any, under Companies Act, 2013, to act as a director;
  - (e) identification as a willful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India;
  - (f) debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India,; and
  - (g) transactions, if any, with the corporate debtor in the preceding two years.”;

(ii) the expression 'connected persons' means-

- (a) persons who are promoters or in the management or control of the resolution applicant;
- (b) persons who will be promoters or in management or control of the business the corporate debtor during the implementation of the resolution plan;
- (c) holding company, subsidiary company, associate company and related party of the persons referred to in items (a) and (b) .”.

3. In the principal regulations, in regulation 39, for sub-regulation (2) ,the following sub-regulation shall be substituted, namely:-

“(2) The resolution professional shall submit to the committee all resolution plans which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him:-

- (a) preferential transactions under section 43;
- (b) undervalued transactions under section 45;
- (c) extortionate credit transactions under section 50; and
- (d) fraudulent transactions under section 66,

and the orders, if any, of the adjudicating authority in respect of such transactions.”.

(Dr. Navrang Saini )  
Whole Time Member

*Note:* The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 were published in the Gazette of India Extraordinary vide notification No. IBBI/2016-17/GN/REG004 on 30<sup>th</sup> November, 2016 and was subsequently by-

- (1) the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2017 vide notification No. IBBI/2017-18/GN/REG013, dated the 16<sup>th</sup> August, 2017;
- (2) The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2017 vide notification no. No. IBBI/2017-18/GN/REG018, dated the 5<sup>th</sup> October, 2017.