



PRESS RELEASE

Chief of Business Bureau

30.11.2016

ICSI INSOLVENCY PROFESSIONALS AGENCY



From L to R - CS Mamta Binani, President ICSI and CS Dinesh Arora, Secretary ICSI

30th November 2016, New Delhi: The Insolvency and Bankruptcy Board of India (IBBI) has granted registration to 'ICSI Insolvency Professionals Agency' to act as Insolvency Professional Agency (IPA) under the IBBI (Insolvency Professional Agencies) Regulations, 2016.

The registration certificate was awarded to ICSI by Union Finance and Corporate Affairs Minister Shri Arun Jaitley on 28 November, 2016 in New Delhi.

While awarding the certificate Shri Jaitley said, "Government has taken a new initiative by setting-up a modern insolvency mechanism based on the best practices in the world. The process of setting-up of an insolvency mechanism including setting-up of the Insolvency and Bankruptcy Board of India (IBBI) was done by the present Government in the shortest possible time".

Addressing the media, ICSI President Mamta Binani said, "The Insolvency and Bankruptcy Code of India has got the President's assent [in May 2016](#) and is now in place. ICSI thus has formed an Insolvency Professional Agency [and](#) registered with IBBI".

"An Insolvency Professional Agency is a front line regulator for the insolvency professionals. It enrolls professional members, lays down standards of professional conduct for them and monitors their performance. It also redresses the grievances of consumers against its members.

With the notification of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, the ICSI IPA can start enrolling the professional members from 29th November, 2016. This takes one step closer to implementation of the Insolvency and Bankruptcy Code, 2016.

The notification of The Insolvency and Bankruptcy Code 2016 (the 'Code') and the Regulations/Rules made thereunder has opened up lot of opportunities for the professionals in the area of Corporate Insolvency Resolution Process, Corporate Liquidation Process and Individual insolvency resolution process.

The insolvency professionals would be created as a different set of professionals who would resolve disputes between the creditor and the debtor in case of corporate and individual insolvencies. The Adjudicating authority for corporate insolvency is NCLT and individual insolvency is DRT.

Background:

1. The Insolvency and Bankruptcy Code 2016 (hereinafter called 'the code') received President's assent on May 28, 2016.
2. Section 206 of the Code states that no person shall render his services as Insolvency Professional (IPs) under this code without being enrolled as a member of Insolvency Professional Agency (IPAs) and registered with Insolvency and Bankruptcy Board of India (IBBI).
3. Section 200 of the Code states that the Insolvency and Bankruptcy Board of India shall have regard to the following principles while registering the Insolvency Professional Agencies under this Code, namely:—
 - to promote the professional development of and regulation of insolvency professionals;
 - to promote the services of competent insolvency professionals to cater to the needs of debtors, creditors and such other persons as may be specified;
 - to promote good professional and ethical conduct amongst insolvency professionals;
 - to protect the interests of debtors, creditors and such other persons as may be specified;
 - to promote the growth of insolvency professional agencies for the effective resolution of insolvency and bankruptcy processes under this Code.
4. Accordingly, to enable the members of the Institute/others to practice as insolvency professionals ICSI is to be registered as IPA.

Insolvency Professional Agencies

The Code proposes to regulate insolvency professionals and insolvency professional agencies. Under IBBI's oversight, these agencies will develop professional standards, codes of ethics and exercise a disciplinary role over errant members leading to the development of a competitive industry for insolvency professionals.

Insolvency Professionals

The code proposes insolvency professionals for the conduct of insolvency resolution process and liquidation process and they shall function under the oversight of IPA and IBBI and shall be subject to code of conduct of IPA model bye laws.

The Insolvency Regulator shall exercise regulatory oversight over

- Insolvency Professionals,
- Insolvency Professional Agencies and
- Information Utilities.

About ICSI

The Institute of Company Secretaries of India(ICSI) is constituted under an Act of Parliament i.e. the Company Secretaries Act, 1980 (Act No. 56 of 1980). ICSI is the only recognized professional body in India to develop and regulate the profession of Company Secretaries in India. The Institute of Company Secretaries of India awards the certificate of bestowing the designation of Company Secretary(CS) to a candidate qualifying for the membership of the Institute. It was in 1960 that the Company Law Board started a course in Company Secretaryship leading to the award of Government Diploma in Company Secretaryship. As the number of students taking up the Company Secretaryship course grew, the Government promoted on 4th October, 1968, Institute of Company Secretaries of India under Section 25 of the Companies Act, 1956 for taking over from the Government the conduct of Company Secretaryship examination. The Institute of Company Secretaries of India (ICSI) has since been converted into a statutory body w.e.f. 1.1.1981 under the Company Secretaries Act, 1980. The Institute Functions under the jurisdiction of Ministry of Corporate Affairs, Government of India. The Institute of Company Secretaries of India (ICSI) has on its rolls over 46000 members and over 4 lakh CS students

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