

19.01.2023

Sir/Madam,

MCA proposes IBC tweaks to put resolution on fast track
Seeking Comments on changes being considered to the Insolvency & Bankruptcy Code 2016

The government proposed a slew of changes to the Insolvency and Bankruptcy Code (IBC), including fast-tracking the resolution process and expanding the scope of the pre-packaged framework.

A discussion paper floated by the Ministry of Corporate Affairs proposes to introduce Fast Track Corporate Insolvency (FIRP) through which the corporate debtors of a company can choose to opt for resolution outside the judicial process.

Changes under consideration:

To strengthen the functioning of the IBC, changes to the Code are being considered in relation to the admission of corporate insolvency resolution process ("CIRP") applications, streamlining the insolvency resolution process, recasting the liquidation process and the role of service providers under the Code.

STREAMLINING THE INSOLVENCY RESOLUTION PROCESS

- **Rethinking the Fast-Track Corporate Insolvency Resolution Process**
- **Expanding the applicability of the Pre-packaged Insolvency Resolution framework**

Improving outcomes in real estate cases

Reimagining the consideration of the resolution plan and the manner of distribution of the proceeds from the same during the CIRP

- Approval of multiple resolution plans in respect of the same CD
- Separation of resolution plans and the distribution of proceeds
- Mandating the use of a challenge mechanism

USE OF TECHNOLOGY IN THE IBC ECOSYSTEM

RECASTING THE LIQUIDATION PROCESS

ROLE OF SERVICE PROVIDERS AND OTHER STAKEHOLDERS

The MCA has invited suggestions/comments from the stakeholders along with brief justification at the below mentioned weblink https://ibbi.gov.in/webfront/discussion_paper/invitation_public/ latest by 7th February 2023 (5:30 PM).

We request members to send us your comments on the same so that consolidated comments of the Federation could be submitted to MCA.

With kind regards,

(Shiv Rawat)

Deputy Director