



news flash

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### Insolvency and Bankruptcy Laws - Extension of timelines

In view of the pandemic COVID-19 and the changing business environment due to COVID-19, the Insolvency and Bankruptcy Board of India (“**IBBI**”) has issued certain notifications to address various concerns of stakeholders in connection to Insolvency and Bankruptcy Code, 2016 (“**Code**”) and other regulations framed therewith.

The gist of some of the latest notifications issued by the IBBI are set out below:

1. The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulations**”), provides that the corporate insolvency resolution process is a time bound process and it is required to be concluded by the insolvency professional in a prescribed period of 330 days including litigation period. The IBBI has amended the CIRP Regulations by inserting a new special provision which states that the period of lockdown imposed by the Central Government due to outbreak of pandemic COVID-19 will not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown in relation to a corporate insolvency resolution process.
2. The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (“**Liquidation Regulations**”), the liquidation process is mandatorily required to be completed by the liquidator in a prescribed period of 365 days. Due to spread of COVID-19 and declaration of lockdown by the Central Government, the IBBI has amended the Liquidation Regulations by inserting new regulation which states that the period of lockdown imposed by the Central Government due to outbreak of pandemic COVID-19 will not be counted for the purposes of the time-line for any task that could not be completed due to such lockdown in relation to any liquidation process.
3. In addition to above, IBBI has also issued notification amending the Model Bye-Laws and Governing Board of Insolvency Professional Agencies (Amendment) Regulations, 2020 whereby it has given certain relaxations on time lines and its rules for authorisation of assignment by Insolvency Professional Agencies to their professional members.

The above relaxations in timelines are evidence that the regulators are mindful of the difficulties and delay in compliances owing to COVID-19. The Government of India and the regulators are constantly making efforts to ensure that corporates and professionals have fair liberties to comply with the timelines and regulations.

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