



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Setting goals is the first step in turning the invisible into the visible."

"Setting goals is the first step in turning the invisible into the visible."

➤ **Insolvency and Bankruptcy Board clarifies calculation of liquidator's fees**

The Insolvency and Bankruptcy Board of India (IBBI) has clarified that the calculation of the liquidator's fee has to be done as a percentage of the amount realised from assets, and not cash and bank balance, including term deposit, mutual fund, and quoted share available on start of the liquidation process.

The IBBI also said that there was a gap in understanding in the market that components of the liquidation cost are to be excluded to derive "other liquidation cost". This amount is to be deducted from the realisation amount while calculating the liquidator's fee. The insolvency regulator said that in some cases, liquidators exclude the cost incurred in preserving and protecting the assets of the corporate debtor (CD), and running the CD is a growing concern to calculate "other liquidation cost".

The IBBI also observed that the liquidators are suo-moto (on their own) excluding various time periods such as stay by court on sale of a particular asset and delay in relinquishment by secured creditor for the purpose of calculating the fee.

While clarifying the period for calculation of liquidator's fee, the regulator said, "Any such exclusion should have a stamp of judicial authority and should only be for the asset for which such exclusion has been granted."

Source: Business Standard

Read Full news at: https://www.business-standard.com/industry/banking/insolvency-and-bankruptcy-board-clarifies-calculation-of-liquidator-s-fees-123092801009_1.html

➤ **IBBI Suspends Partha Sarathy Sarkar's IP Registration for Conducting Innovari Technologies' CIRP in 'Brazen Manner'**

The Insolvency and Bankruptcy Board of India (IBBI/Board) has suspended the registration of insolvency professional (IP) Partha Sarathy Sarkar for two years after finding that he had conducted the entire corporate insolvency resolution process (CIRP) of Innovari Technologies Pvt Ltd (corporate debtor-CD) in a 'brazen manner', without having due regard to the provisions of the IBBI code of conduct (Code) and the regulations.

In an order passed earlier this month, Sudhaker Shukla, a whole-time member (WTM) of IBBI, says, "The disciplinary committee of IBBI notes that the IP has shown utter disregard and contempt towards the established monitoring activity of the Board.

Source: Moneylife

Read Full news at: <https://www.moneylife.in/article/ibbi-suspends-partha-sarathy-sarkars-ip-registration-for-conducting-innovari-technologies-cirp-in-brazen-manner/72117.html>

➤ **Govt negotiating with UNCITRAL on cross-border insolvency mechanism**

The government is negotiating with United Nations Commission on International Trade Law (UNCITRAL) to amend provisions related to cross-border insolvency, which will be in favour of the developing nations, a member of the Insolvency and Bankruptcy Board of India (IBBI) told FE. "At present, the UNCITRAL Model Law on Cross-Border Insolvency (MLCBI) is not in the interests of developing nations, like India. We have working to develop a legal framework on the lines of UNCITRAL's model law, however, it will take some time," the member said.

At present, the Insolvency and Bankruptcy Code has no instrument to restructure firms involving cross-border jurisdictions. Since several domestic companies now have a foreign presence, experts say that it's necessary to ensure that the assets of corporate debtors be brought under the fold of the IBC process and claims of foreign lenders are also met.

Source: Financial Express

Read Full news at: <https://www.financialexpress.com/business/industry-govt-negotiating-with-uncitral-on-cross-border-insolvency-mechanism-3256857/>

