

Charter on Do's and Don'ts of Insolvency Professional

Do's

- 1) An IP shall at all times continue to abide by the "**Code of Conduct for Insolvency Professionals**" provided under First Schedule of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.
- 2) An IP shall at all times continue to **satisfy the eligibility criteria** provided under Regulation 4 of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.
- 3) While dealing with a CIRP assignment, an IP should refer to the **Charter of Responsibility of IP and CoC** in order to ensure performance of all the duties of his/her part.
- 4) While discharging his function as an Interim Resolution Professional/Resolution Professional/Liquidator, an Insolvency Professional **shall perform all the duties** with due care and diligence as specified under sub bye-law 13 of Bye-Law VI of Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.
- 5) An IP shall report the details of his assignments to IBBI as well as to the Insolvency Professional Agency of which that IP is the member in accordance with the reporting schedule and formats as specified under the respective Monitoring Policy of the Insolvency Professional Agency.
- 6) An IP should cooperate with IBBI and Insolvency Professional Agency of which that IP is member during the inspection.
- 7) During conduct of an assignment an IP should appoint independent professional(s) for his/her assistance giving due consideration to the aspect of arm's length basis.
- 8) an Insolvency Professional shall not outsource any of his duties and responsibilities under the Code - IBBI Circular dated 3rd January, 2018;
- 9) an Insolvency Professional shall in all its communications, disclose his name, contact details and registered email - IBBI Circular dated 3rd January, 2018;
- 10) An IP should make relationship disclosures on the Online Disclosure Module of the Insolvency Professional Agency of which that IP is member in accordance to the timelines specified in IBBI Circular dated 16th January, 2018.
- 11) an Insolvency Professional shall render services for a fee which is a reasonable reflection of his work, raise bills / invoices in his name towards such fees and such fees shall be paid to his bank account - IBBI Circular dated 16th January, 2018;



- 12)** Vide IBBI Circular dated 23rd February, 2018; an Insolvency Professional shall ensure confidentiality with regard to the assignments undertaken by him - IBBI Circular dated 23rd February, 2018;
- 13)** An IP should make cost disclosures on the Online Disclosure Module of the Insolvency Professional Agency of which that IP is member in accordance to the timelines specified in IBBI Circular dated 12th June, 2018.
- 14)** An IP should appoint only those Registered Valuers for the assignments, which are duly registered with IBBI.
- 15)** An IP should have sufficient infrastructure to handle the assignments undertaken by them in effective and efficient manner.
- 16)** During the event of non cooperation from the management or employees of the Corporate Debtor while undertaking CIRP, an IP should report such event of non cooperation to the Adjudicating Authority.

Don'ts

- 1)** An IP can neither determine the eligibility of resolution applicants under Section 29(A) nor can disclose or discuss submitted plans to any competing bidder.
- 2)** Pursuant to Section 30 (2), the RP is required to examine whether resolution plans confirm the provisions as mentioned therein, but RP cannot disclose it to any other person including resolution applicant(s).
- 3)** RP should not charge unreasonable fee.
- 4)** An IP should not ask for a certificate from any professional with regard to the certification of the eligibility criteria of a resolution applicant.
- 5)** An IP should not raise the bill for the work done in the name of his/her Insolvency Professional Entity (IPE). Bill only for the support services rendered by an IPE can be raised by an IPE in its name.
- 6)** An IP shall not disclose any information pertaining to his assignment to any unauthorized person.
- 7)** An IP shall not accept any fresh assignment under the Code during the event of the issuance of show cause notice to him/her by IBBI.
- 8)** An IP shall not charge exorbitantly high fees.
- 9)** An IP shall refrain from handling multiple assignments at one point of time.

