



Insolvency and Bankruptcy Board of India notifies Fast Track Insolvency Resolution Process for Corporate Persons Regulations

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The Insolvency and Bankruptcy Board of India (IBBI), in exercise of its powers conferred by sections 58, 196 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (Code), has notified the Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017. These regulations provide the process from initiation of insolvency resolution of eligible corporate debtors till its conclusion with approval of the resolution plan by the Adjudicating Authority. The process in these cases shall be completed within a period of 90 days, as against 180 days in other cases. However, the Adjudicating Authority may, if satisfied, extend the period of 90 days by a further period up to 45 days for completion of the process.

A creditor or a corporate debtor may file an application, along with the proof of existence of default, to the Adjudicating Authority for initiating fast track resolution process. After the application is admitted and the interim resolution professional (IRP) is appointed, if the IRP is of the opinion, based on the records of corporate debtor, that the fast track process is not applicable to the corporate debtor, he shall file an application before expiry of 21 days from the date of his appointment, to Adjudicating Authority to pass an order to convert the fast track process into a normal corporate insolvency resolution process.

The Ministry of Corporate Affairs has notified the relevant sections 55 to 58 of the Insolvency and Bankruptcy code, 2016 pertaining to the Fast Track Process and also notified that fast track process shall apply to the following categories of corporate debtors:

- a small company, as defined under clause (85) of section 2 of the Companies Act, 2013; or
- a Startup (other than the partnership firm), as defined in the notification dated 23rd May, 2017 of the Ministry of Commerce and Industry; or
- an unlisted company with total assets, as reported in the financial statement of the immediately preceding financial year, not exceeding Rs.1 crore.

The regulations are available at www.mca.gov.in and www.ibbi.gov.in

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