

# IP Enrollment & Eligibility for Professional Members

## Eligibility Criteria/Procedure for Enrolment

### A. Insolvency Professional

Section 206 of the Insolvency and Bankruptcy Code, 2016 (Code) provides as follows:

**“No person shall render his services as insolvency professional under this Code without being enrolled as a member of an insolvency professional agency and registered with the Board.”**

### B. Eligibility to Register as an Insolvency Professional (IP) with IBBI /Enrol Professional Member with IIIPI

I. Regulation 4 of the IBBI (Insolvency Professionals) Regulations, 2016 specifies the eligibility criteria to register as an IP. According to this Regulation, no individual shall be eligible to be registered as an insolvency professional:

- (a) If he is a minor.
- (b) If he is not a person resident in India.
- (c) If he does not have the qualification and experience specified in Regulation 5.
- (d) If he has been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered.
- (e) If he is an undischarged insolvent or has applied to be adjudicated as an insolvent.
- (f) If he has been declared to be of unsound mind.
- (g) If he is not a fit and proper person. For determining whether an individual is fit and proper under these Regulations, IBBI may take account of any consideration as it deems fit, including but not limited to the following criteria-
  - (i) integrity, reputation and character,
  - (ii) absence of convictions and restraint orders, and
  - (iii) competence, including financial solvency and net worth.

II. Clause 9 of the By Laws of IIIPI states that no individual shall be enrolled as a professional member with IIIPI if he is not eligible to be registered as an Insolvency Professional with the Board.

### C. Qualifications and Experience to Register as an Insolvency Professional

**Step I.** A person should have the following qualifications to register as an Insolvency Professional.

- Chartered Accountant, Company Secretary, Cost Accountant and Advocate who has enrolled as a member of respective Institute/Bar Council and has ten years of experience [Regulation 5(c)(iv) of the IBBI (Insolvency Professionals) Regulations,2016].

- A Graduate who has fifteen years of experience in management, after receiving a Bachelor's degree from a university established or recognized by law. [Regulation 5(c)(iii) of the IBBI (Insolvency Professionals) Regulations, 2016].
- Successfully completed the National Insolvency Programme, as may be approved by the IBBI [Regulation 5(c)(i) of the IBBI (Insolvency Professionals) Regulations, 2016]. IBBI has yet to notify this programme.
- Successfully completed the Graduate Insolvency Programme GIP, as may approved by the IBBI [Regulation 5(c)(ii) of the IBBI (Insolvency Professionals) Regulations, 2016].

**Step II.** The person who has one of the above qualifications must pass the Limited Insolvency Examination conducted by IBBI.

**Step III.** He is required to apply for enrolment as a professional member with an Insolvency Professional Agency (IPA) within twelve months before the date of his passing the Limited Insolvency Examination [Regulation 5(a) of the IBBI (Insolvency Professionals) Regulations, 2016].

**Step IV.** After his enrolment as professional member, he is required to complete the mandatory 50 hours Pre-Registration Educational Course from an IPA. [Regulation 5(b) of the IBBI (Insolvency Professionals) Regulations, 2016].

**Step V.** Thereafter, he will be eligible to apply for Registration as an Insolvency Professional with IBBI.

#### **D. Procedure for Enrolment as a Professional Member**

- **(a)** The Insolvency Professional Agency (IPA) shall examine the application in accordance with the applicable provisions of the Code, and rules, regulations and guidelines thereunder.
- **(b)** Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016 requires an **Insolvency Professional to abide by the Code of Conduct at all the times.**
- **(c)** Clause 23 of the Code of Conduct reads as follows:

“An insolvency professional must not engage in any employment when he holds a valid Authorisation for Assignment or when he is undertaking an assignment.”

This would enable an individual to seek registration as an insolvency professional even when he is in employment. He must, however, discontinue employment when he wishes to have an Authorisation for Assignment. He may surrender Authorisation for Assignment when he wishes to take up employment.

- **(d)** Before enrolling a person as its Professional Member the IPA is required to verify the followings:
  - I. Whether any disciplinary proceedings are pending, or any disciplinary action has been taken at any time in the preceding three years against the professional member by the ICAI, ICSI, ICAI(Cost), or Bar Council, of which he is a Member.
  - II. Whether a regulator ICAI, ICAI (Cost), ICSI, or Bar Council has initiated any criminal proceeding against the professional member and is pending for disposal?
  - III. Whether the professional member had an unblemished service with the last employer if he was in employment? The applicant has to submit a Conduct Certificate from his last employer.
  - IV. Whether the name of the professional member appears in the databases of Ministry of Corporate Affairs regarding
    - i. Directors disqualified under section 164 of the Companies Act, 2013, or

- ii. Proclaimed Offenders under Section 82 of the Code of Criminal Procedure, 1973.

For this purpose, the applicant needs to provide his DIN (if he has one) or has to declare that he has no DIN.

- V. Whether the professional member has been penalised by a market regulator i.e. SEBI and CCI in the last three years?
- VI. Whether the name of professional member appears in the list of defaulters of RBI/Credit Information Company. For Credit Information, the applicant has to provide his CIBIL report after obtaining the same from a registered Credit Information Company.
- **(e)** After examination of the application, the respective Insolvency Professional Agency (IPA) shall give an opportunity to the applicant to remove the deficiencies, if any, in the application.
- **(f)** The IPA may require an applicant to submit additional documents, information or clarification that it deems fit, within reasonable time.
- **(g)** The IPA may reject an application if the applicant does not satisfy the criteria for enrolment or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing.
- **(h)** The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, **within thirty days of the receipt of the application**, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the IIPAI, as the case may be.
- **(i)** The primary acceptance of the application shall be communicated to the applicant, along with the enrolment number.
- **(j)** The IPA will issue a Certificate of Membership to the enrolled member.

#### **E. Documents required**

1. Enrolment Form 2.
2. Passport-size photos.
3. Copy of proof of residence.
4. Self – attested copy of Aadhaar card (mandatory), PAN card (mandatory) and Passport (if available).
5. Copies of documents in support of educational qualifications, professional qualification and insolvency examination qualifications.
6. Copies of documents demonstrating practice as - • a chartered accountant enrolled with the Institute of Chartered Accountants of India; • a company secretary enrolled with the Institute of Company Secretaries of India; • a cost accountant enrolled with the Institute of Cost Accountants of India; or • an advocate enrolled with the Bar Council of any State in India;
7. In case an applicant is an Advocate in practice on the date of enrolment as an Insolvency Professional, then kindly submit us the Certificate from the Bar Council of the State with which you are enrolled as an Advocate to the following effect: a) Whether any disciplinary action is pending or has been taken at any time in the preceding three years against you by the Bar Council of which you are a Member? b) Whether Bar Council has initiated any criminal proceeding against you and is pending for disposal?
8. Copies of certificate of employment from the employer(s), specifying the period of such employment.
9. Financial statement / Income Tax Returns for the last three years.
10. 2 Copies of Self Declaration, the format of the same is annexed with the Enrolment form (Annexure – 1).
11. Directors Identification Number (DIN). Applicant has to mention the DIN at the bottom of Self Declaration. (In case the applicant does not hold DIN, a declaration in this respect must also be enclosed

with Enrolment form. Format of the aforesaid declaration is annexed with the Enrolment form (Annexure – 2).

12. 2 Copies of CIBIL Report (CIBIL Report is available through CIBIL. For any further details on the matter please refer to the following link:<https://www.cibil.com/creditscore/> and as per the rate fixed by CIBIL an amount of Rs.550 for such score is required to be paid by the applicant directly to them. Please pay the requisite fees and provide us the report).

13. 2 Copies of GST Registration Certificate, if any. (Credit of GST amount paid shall only be given to registered individuals and Firm's GSTN shall not be taken into consideration). 14. To make payment, refer 'Payment Schedule of IPA ICAI'. Click here <https://bit.ly/2PXvS7p>

#### **F. Appeal against the order of Application for Enrolment**

- (a) An applicant aggrieved of a decision rejecting his application may appeal to the Membership Committee of the Agency within thirty days from the receipt of such decision.
- (b) The Membership Committee shall pass an order disposing of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

#### **Limited Insolvency Examination**

- IBBI is notifying syllabus for the Limited Insolvency Examination from time to time.
- The syllabus, format, qualifying marks and frequency of the Limited Insolvency Examination shall be published on the website of the Board at least three months before the examination. [Regulation 3(3) of the IBBI (Insolvency Professionals) Regulations, 2016]
- For syllabus, registration process for the examination please visit: (<http://www.ibbi.gov.in/limited-insolvency.html>)

#### **National Insolvency Programme**

- IBBI is yet to notify this Programme.

#### **Graduate Insolvency Programme**

The GIP is the first of its kind programme for those aspiring to take up the discipline of insolvency professional as a career or seeking to take up other roles in the value chain, in India and in foreign jurisdictions. A student who completes the GIP will be eligible for registration as insolvency professional under the Insolvency and Bankruptcy Code 2016, without having to wait to acquire the 10-year experience as required by the Code at present. For details please click on [https://iica.nic.in/gip/about-us.aspx#cisb\\_abt](https://iica.nic.in/gip/about-us.aspx#cisb_abt).

#### **Fees to Indian Institute of Insolvency Professionals of ICAI (IIPI)**

- (1) Enrolment Fees -
  - a) Onetime non-refundable Enrolment Fee of Rs. 2000/- (Rupees Two Thousand only) plus GST @ 18% to be paid along with the Enrolment Form.
- (2) Annual Membership Fees of IIPI -

- a) Annual Membership Fee Rs. 10,000/- (Rupees Ten Thousand only) plus GST @ 18% and is due wef 01, April of each year.
- b) Membership Fee is charged at 50% of the Annual Membership Fee i.e. an amount of Rs. 5000/- (Rupees Five Thousand only) w.e.f. 1st October of each Financial Year.
- c) Members enrolled with IIIPI must pay an Annual membership fee Rs. 10,000/- (Rupees Ten Thousand only) plus applicable taxes @ 18% for each Financial Year. The fees should be received by IIIPI on before 30th April of every year without incurring any penalty.
- d) Members may pay the Annual Membership Fees on or before 30th June of the year with a late fine of Rs. 500/- (Rupees Five Hundred only)
- e) Members delaying Annual Membership Fees payment beyond 30th June will be referred to the Membership Committee for necessary action as per Bye-Laws.
- f) A member who applies for surrender of his membership before 30th April be allowed to do so even if he has not paid his Annual Membership Fees for the current year.

### **Fees to ICSI Institute of Insolvency Professionals**

#### **(1) Enrolment Fees:**

- a) One-time non-refundable Enrolment Fee of Rs. 5,000/- (Rupees Five Thousand only) plus GST @ 18% to be paid along with the Enrolment Form/Application.

#### **(2) Annual Membership Fees of ICSI IIP:**

- a) Annual Membership Fee Rs. 10,000/- (Rupees Ten Thousand only) plus GST @ 18% and is due wef 01, April of each year. b) Membership Fee is charged at 50% of the Annual Membership Fee i.e. an amount of Rs. 5000/- (Rupees five thousand only) plus GST @ 18% w.e.f. 1st October of each Financial Year. c) Members enrolled with ICSIIP must pay an Annual membership fee Rs. 10,000/- (Rupees Ten Thousand only) plus applicable taxes @ 18% for each Financial Year. The fees should be received by ICSI IIP on before 30th June of every year without incurring any penalty. In case the member fails to pay the annual membership fees Authorisation of Assignment (AFA) will not be issued.

### **Fees to ICSI Insolvency Professional Agency of Institute of Cost Accountants of India**

Two types of registration:

1. Regular Registration, which shall be after passing examinations. Registration fee under this category is INR 10,000/-.
2. Registration for limited period, as provided under Regulation 9 of the said Regulation. For this registration there is no need to pass examination as mentioned in (1) above. However, registration is open for those professionals who had minimum 15 years' practising experience after professional qualification.

If the registration is desired in (2) above, the individual needs to pay the fee as under:

- a. Enrolment fee to IPA INR 10,000/- payable in favour of "Insolvency Professional Agency of Institute of Cost Accountants of India" through at par cheque (subject to realisation) or demand draft.
- b. Registration fee to "Insolvency and Bankruptcy Board of India" (Board) which is being collected by IPA on behalf of the Board INR 5,000/- payable in favour of "Insolvency and Bankruptcy Board of India" through at par cheque (subject to realisation) or demand draft.

The members who are interested to be registered as Insolvency professionals must submit their application for registration in Form A (**attached**) of the Second Schedule to these Regulations.