

**Monitoring Policy
of
Indian Institute of Insolvency Professionals of India**

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MONITORING OF MEMBERS

1. Preamble

As per Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, the Insolvency Professional Agency shall have a Monitoring Policy to monitor the professional activities and conduct of professional members for their adherence to the provisions of the Code, rules, regulations and guidelines issued there-under, the bye-laws, the Code of Conduct and directions given by the Governing Board.

2. Objective

Insolvency Professional Agencies (IPAs) are required to monitor the insolvency professionals as prescribed in the Code.

- Section 196(2)(n) requires the model bye laws of IPAs to provide for the manner of monitoring and reviewing the working of insolvency professional who are members.
- Section 204 of the code provides for the functions of IPAs which inter-alia includes monitoring the performance of its professional members(i.e. IPs)
- IBBI (Model Bye Laws and Governing Board of IPAs) Regulations 2016 mandates constitution of Monitoring Committee. It requires an IPA to have a Monitoring Policy which would include frequency of monitoring, performance evaluation of members, etc.
- The Code also requires insolvency professionals to submit certain information to IPAs/IBBI under Section 208(2)(d); Section 31(3)(b) of the Code required Insolvency Professional to forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board; Regulation 16 of IBBI (Model Bye Laws and Governing Board of IPAs) Regulations provides that a professional member shall submit information, including records of ongoing and concluded engagements as an insolvency professional, in the manner and format specified by the Agency, at least twice a year.
- Code of Conduct of insolvency professionals under first schedule of IBBI (Insolvency Professionals) also provides inter-alia that the insolvency professional should perform his work with honesty, integrity, objectivity and impartiality.

IPAs are obligated to monitor IPs with respect to:

- Corporate Insolvency Resolution Process (CIRP)
- Fast Track Insolvency Resolution Process
- Liquidation Process

- Voluntary Liquidation
- Individual Insolvency Resolution
- Fresh Start Process
- Bankruptcy of Individuals and firms

3. Framework

3.1 Information to be Submitted

The Insolvency Professionals are required to report each assignment they undertake under the Insolvency & Bankruptcy Code and to submit a copy of the records of every proceeding before the Adjudicating Authority to IIIPI, in the manner and format specified by the Agency, at least twice a year.

The reporting requirement for IPs who:

1. Have not undertaken **any** Resolution Processes, or
2. In whose case each Resolution Process handled as IRP/RP has been concluded with all related formalities/reporting requirements completed,

will be confined to submission of Static Data as detailed in paras 3.1.1(i), 3.2 and 3.3.

3.1.1 Classification of data required for Monitoring

- i. Static Data
- ii. Dynamic Data
- iii. Other qualitative information

(i) Static Data:

This consists of information furnished at the time of enrolment, which is less likely to change but is material in terms of the eligibility of the Member to continue as an Insolvency Professional (IP), eg., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of registration by IBBI, etc.

Periodicity of submission

Static data shall be provided by the IPs in the following events:

- a) At the time of enrolment;
- b) Updation of static data annually
- c) Updation of static data if there is a change and
- d) At the time of renewal of membership

Any change in the Static Data will need to be advised immediately to the IPA, but in no case later than 15 days of the above change having occurred or its having come to the knowledge of the Member.

In all cases, the IP/Member will be required to submit a fresh Status report to the IPA at the time of his annual renewal of Membership.

(ii) Dynamic Data:

Every IP/Member is required to report each assignment under the Insolvency & Bankruptcy Code twice a year ie., as on 30th of Sept and 31st of March, and to submit a copy of the records of every proceeding before the Adjudicating Authority to IIIPI.

The report should, inter alia, include comments for all cases being handled, on the following:

- Non adherence to directions/regulation/law, if any, with reasons
- Reasons for slippages in time lines, if any, separately for all cases
- Nature of condonation sought, if applicable, and adjudicating authority's response thereto
- In case of concluded proceedings, the Member would be required to submit a brief Status Report till the case is finally closed
- Nature and purpose of Transactions conducted with stakeholders during and up to the period of the report
- Nature and purpose of Transactions conducted with third parties during and up to the period of the report.

Apart from the above half yearly report, the IP/Members shall immediately, and in no case later than 15 days of the appointment, inform IIIPI of the following:

- Number and status of existing Resolution Processes being handled by the IP
- Date of fresh appointment as IRP/IP by NCLT
- Brief information about the new case awarded
- Proposed timelines for compliance with stipulations under the Act/Regulation or by NCLT or another agency with jurisdiction in the matter in respect of the new case
- Steps proposed to be taken for discharge of responsibilities as IP for the new and existing cases.
- Any conflict of interest likely to arise.

Periodicity of submission

a) Half Yearly Report as on 30th September and 31st March.

b) Report on Appointment as IRP and RP - immediately and in any case, not later than 15 days

Apart from the above, the IP will be required to report within 24 hours:

- Any warnings or penalties or strictures imposed by the competent authority
- Initiation of legal action against the member

The IP/Member will also submit a summary of the outcome of each Resolution Process within 21 days of its conclusion.

(iii) Other qualitative information

The following supplementary information also needs to be submitted by the Professionals:

- a. the details of the appointments made under the Insolvency & Bankruptcy Code,
- b. summary of transactions conducted with stakeholders during the period of his appointment;
- c. summary of transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.

Periodicity of submission

Details of the outcome of each appointment within 21 days of its conclusion.

3.2 Manner / Format of Submission of Information

Information will be submitted by IPs on the formats placed at Annexure A(i) for Static Data and A(ii) for Dynamic Data. The format in which the Other Qualitative Information is to be submitted is given as Annexure A(iii).

3.3 Obligations to comply with the Monitoring Policy

- (i) Every Professional registered with IIPI is obliged to comply with the requirements of the Monitoring Policy.
- (ii) The Monitoring Committee shall review the information and records submitted by the IP with the objective of monitoring the professional activities and conduct of each member.
- (iii) Falsification, misreporting or non-reporting of information required under the Monitoring Policy or sought separately by the Monitoring Committee or any other competent authority may lead to initiation of Disciplinary Proceedings against the member.

(iv) The guidelines set here should be strictly adhered to, failing which action against the Professional may be recommended by the Monitoring Committee to the Disciplinary Committee of IIIPI.

3.4 Inspection

The Monitoring Committee may carry out an inspection of an Professional Member's records wherever deemed necessary, with or without prior notice to the member. This function may be delegated to a suitable member(s), where required. The report of the inspection will be put up by the inspecting member(s) to the Monitoring Committee, which would take appropriate steps/action, as warranted.

3.5 Use, Analysis and Storage of Information and Records

3.5.1 Use/ Analysis of information and records

IIIPI shall submit a report to IBBI on the Format presently in use (**Annexure B**), containing information collected from professionals, pertaining to -

- a. the details of the appointments made under the Insolvency & Bankruptcy Code,
- b. the transactions conducted with stakeholders during the period of his appointment;
- c. the transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.
- e. Any other related information.

3.5.2 Storage of information and records

The data so collected shall be stored and recorded in a physical and/or digital manner for a period of 8 years, having due regard for:

- a. ensuring the privacy of members and confidentiality of information received, except when disclosure of information is required by the Board or by law,
- b. in a non-discriminatory, and
- c. with proper safeguards, including Disaster Recovery Mechanism procedures.

3.6 Evaluation of Members

The information obtained from members shall be analyzed to verify whether the transactions conducted were in compliance with the Insolvency and Bankruptcy Code, Regulations and other applicable laws.

The information collected from the members will be evaluated on Quantitative and Qualitative Parameters, with a weightage of 30:70 being assigned to the two respectively for facilitating the assessment.

3.6.1 Quantitative:

1. Frequency of submission of reports
2. Delay in submission of information exceeding 15 days from stipulated timeline
3. Deviation from timelines prescribed under law/regulation
4. Transactions conducted with stakeholders/3rd parties
5. No. of Warnings/Strictures/Penalties imposed till date of report
6. No. of incorrect submissions/ data falsifications, etc.
7. No. of Disciplinary cases initiated, if any, with outcomes
8. No. of grievances raised, if any, with outcomes
9. Outcome of Inspection, if any.

3.6.2 Qualitative:

1. Review of steps taken by the IP/Member
2. Violations, if any, of IBC/Regulations
3. Nature of condonation sought, if applicable, and adjudicating authority's response
4. Effectiveness and timeliness of follow-up measures
5. Quality of reporting to NCLT
6. Quality of citings/references
7. Quality of Interaction with Stakeholders
8. Valuation methodology/approach
9. Implication and impact of grievances received, if any
10. Outcome of steps taken for Resolution Process
11. Result of Disciplinary Action, if any
12. Details of Imprisonment, Debarments, Suit(s) filed against IP/Member, Strictures by the competent authority, if any, with the reasons therefor and status.
13. Others

Apart from the above, features adversely impinging on ethics and integrity, if prima facie tenable, would be referred to the Disciplinary Committee and their decision taken into consideration.

Evaluation criteria for IPs who have undertaken assignments would cover the above factors.

In respect of members who have not undertaken any assignment, their Static Data would be verified annually on a proportionate sample size of 5% of the strength registered from each Region, to keep a check on any unreported changes.

3.7 Review of the Monitoring Policy

The implementation of the Policy will be monitored and reviewed by the Monitoring Committee at quarterly intervals and bi-annually by the Governing Board of IIIPI.

The Monitoring Policy may be amended from time to time by the Governing Board and will remain in force till further instructions of the Governing Board or IBBI.

Annexure A(i)

**Reporting Format
Static Data**

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Reporting Format for Static Data:

Sr. No.	Static Data Change Particulars	Date of Change	Reason for Change	Implications for Current/ Concluded Proceedings

Remarks:

Date:

Name and Signatures of IP

Explanatory Notes:

3.1.1(i) Static Data

Source: Information detailed in Form A (Application for Registration as an Insolvency Professional) Items A to E.

Explanation: Static Data consists of information furnished at the time of enrolment, which is less likely to change but is material in terms of the eligibility of the Member to continue as an Insolvency Professional (IP), e.g., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of COP, etc.

Any change in the Static Data will need to be advised immediately to the IPA, but in no case later than 15 days of the above change having occurred or its having come to the knowledge of the Member.

In all cases, the IP/Member will be required to submit a fresh Status report to the IPA at the time of his annual renewal of Membership.

Periodicity of Submission:

Static data shall be provided by the IPs in the following events:

- e) At the time of enrolment;
- f) Updation of static data annually
- g) Updation of static data if there is a change and
- h) At the time of renewal of membership

Periodicity of submission of **Changes** in Static Data

Immediately on any change in Static Data, as defined earlier, but in any case **not later than 15 days** of the occurrence of the change on the format given above.

**Reporting Format
Dynamic Data**

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Half Yearly Report as on 30th Sept/31st March
(To be provided separately for each Resolution Process)

Reporting Parameter	IP's Comments
<ol style="list-style-type: none">1. Schedule for submission of Reports to NCLT/Others2. Dates of submission of reports as prescribed under law/regulation3. Dates of actual submission4. Details of delayed reports exceeding 15 days from stipulated timeline, with reasons5. Disqualification under Regulation 30 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 20166. No. of Warnings/Strictures/Penalties imposed till date of report7. No. of incorrect submissions/ data falsifications, etc.8. No. of Disciplinary cases initiated, if any, along with outcomes9. No. of grievances raised, if any, along with outcomes10. Outcome of Inspection, if any.	

Report of New Appointment as IRP/IP (Max Time 15 days)

Reporting Parameter	IP's Comments
<ul style="list-style-type: none"> - Number and status of existing Resolution Processes being handled by the IP - Date of fresh appointment as IRP/IP by NCLT - Brief information about the new case awarded - Proposed timelines for compliance with stipulations under the Act/Regulation or by NCLT or another agency with jurisdiction in the matter in respect of the new case - Steps proposed to be taken for discharge of responsibilities as IP for the new and existing cases. - Any conflict of interest as on date or likely to arise. 	

Remarks:

Date:

Name and Signatures of IP

Flash Report (Within 24 hours of receipt of notice/order by IP)

Reporting Parameter	IP's Comments
<ul style="list-style-type: none"> - Any warnings or penalties or strictures imposed by the competent authority - Initiation of legal action against the member by third parties/Corporate Debtor in violation of Section 233/236 	

Remarks:

Date:

Name and Signatures of IP

Explanatory Notes:

3.1.1(ii) Dynamic Data:

Every IP/Member is required to report each assignment under the Insolvency & Bankruptcy Code twice a year, as on 30th of Sept and 31st of March, and to submit a copy of the records of every proceeding before the Adjudicating Authority to IIIPI.

The report should, inter alia, include comments for all cases being handled, on the following:

- Non adherence to directions/regulation/law, if any, with reasons
- Reasons for slippages in time lines, if any, separately for all cases
- Nature of condonation sought, if applicable, and adjudicating authority's response thereto
- In case of concluded proceedings, the Member would be required to submit a brief Status Report till the case is finally closed
- Nature and purpose of Transactions conducted with stakeholders during and up to the period of the report
- Nature and purpose of Transactions conducted with third parties during and up to the period of the report.

Apart from the above half yearly report, the IP/Members shall immediately, and in no case later than 15 days of the appointment, inform IIIPI of the following:

- Number and status of existing Resolution Processes being handled by the IP
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- Steps proposed to be taken for discharge of responsibilities as IP for the new and existing cases.
- Any conflict of interest likely to arise.

The IP will be required to report within 24 hours

- Any warnings or penalties or strictures imposed by the competent authority
- Initiation of legal action against the member

The IP/Member will also submit a summary of the outcome of each Resolution Process within 21 days of its conclusion.

Periodicity of Submission:

1. Half Yearly as on 30th of Sept and 31st of March
2. Report on Appointment as IRP and IP - immediately and in no case later than 15 days.

Annexure A(iii)

**Reporting Format
Other Qualitative Information**

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

1. Conclusion Report – Resolution Process

Key Items – Order Date	Comments

2.(a) Summary Report of Transactions with Stake Holders

Sr. No.	Date of Transaction	Amount (Rs.)	Purpose
	Total		

2.(b) Summary Report of Transactions with Third Parties

Sr. No.	Date of Transaction	Amount (Rs.)	Purpose
	Total		

Remarks:

Date:

Name and Signatures of IP

Explanatory Notes:

3.1.1(iii) Other Qualitative Information:

The following supplementary information also needs to be submitted by the Professionals:

- a. the details of the appointments made under the Insolvency & Bankruptcy Code,
- b. the transactions conducted with stakeholders during the period of his appointment;

- c. the transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.

Periodicity of Submission:

1. Summary of the outcome of each Resolution Process within 21 days of its conclusion.
2. Summary Report of Transactions half yearly as on 30th Sept and 31st March

