

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001

CIRCULAR

No. IBBI/IPA/54/2022

02nd November, 2022

To
All Registered Insolvency Professional Agencies

Dear Madam / Sir,

Subject: Annual Compliance Certificate for Insolvency Professional Agencies

In terms of Regulation 7 of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, an Insolvency Professional Agencies (IPA) shall designate or appoint a compliance officer who shall be responsible for ensuring compliances with the provisions of the Code and regulations, circulars, guidelines, and directions issued thereunder.

2. The compliance officer is mandated to submit a compliance certificate to the Board annually, verifying that the IPA has complied with the provisions of the Code and regulations, circulars, guidelines, and directions issued thereunder.

3. In this regard, the format of annual compliance certificate specifying the list of the compliances was issued by the Board *vide* Circular No: IPA/009/2018 dated 19th April, 2018.

4. Now in consequence of amendments in regulations and in suppression of the above Circular, the revised format of Annual Compliance Certificate for IPAs is being issued by the Board as per **Annexure**. All the registered IPAs have to submit the annual compliance certificate to the Board in the said format within 45 days of the end of the financial year.

5. This circular is issued in exercise of the powers conferred under clauses (aa), (g) and (t) of sub-section (1) of the Section 196 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 7 of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

Yours faithfully,

Sd/
(Manishkumar M. Chaudhari)
Chief General Manager, IBBI
(+91-11-23462869)

(ON THE LETTER HEAD OF THE INSOLVENCY PROFESSIONAL AGENCY)

ANNUAL COMPLIANCE CERTIFICATE FOR THE YEAR _____

We hereby certify that _____ (*write the name of the Agency here*), having registration no. _____ has complied with the applicable provisions of the Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016 and the relevant provisions of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 for the year _____, as indicated in **Appendix**.

2. We undertake that _____ (*write the name of the Agency here*), having registration no. _____ shall comply with the applicable provisions of the Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016 and the relevant provisions of Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, wherever it has not been complied with fully, as indicated in **Appendix**, by the dates indicated therein.

3. We verify that this certificate was placed before the Board of Directors of _____ (*write the name of the Agency*), having registration no. _____, in its meeting on _____.

4. We verify that the above certification is true and correct to the best of my knowledge and belief.

(_____
Compliance Officer

(_____
Managing Director

Date:

Place:

Appendix

(Unless specifically indicated, the compliance relates to the year. Hence, the Agency needs to provide status for the year _____)

Sl. No.	Section / Regulation / Clause	Does the Agency comply with the provision? (NA /Yes / No/ Partially)	Specific details	Response to specific details	Reasons for non-compliance /partial compliance	Likely date of compliance
A	B	C	D	E	F	G
Part A: Compliances with provisions of the Insolvency and Bankruptcy Code, 2016						
1	204(a)		(i) How many members were admitted during the year? (ii) Do all of them meet the requirements of eligibility? (iii) Have all of them provided documents evidencing the qualification and experience required under regulation 5 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016?			
2	204(b)		(i) How many standards of professional conduct does the Agency have at the end of 31 st March, ____? (ii) How many standards were laid down prior to the current year? (iii) How many standards were laid down during the year?			
3	204(c)		(i) Did the Agency monitor performance of its members during the year? (ii) How many members' performance did the Agency monitor during year? (iii) What are the parameters used for monitoring the performance of its members?			

			(iv) How many members did not provide material required for monitoring performance? (v) In case of how many members, did the Agency find performance unsatisfactory? (vi) What action was taken against the members whose performance was found unsatisfactory?			
4	204(d)		(i) Does the Agency have a policy to safeguard the rights, privileges and interest of the members? (ii) What are the specific interventions the Agency did to safeguard the rights, privileges and interest of the members?			
5	204(e)		(i) How many members did the Agency suspend during the year? (ii) How many memberships did the Agency cancel during the year? (iii) What was the most common violation of law for which a membership was suspended or cancelled?			
6	204(f)		(i) How many grievances did the Agency receive during the year? (ii) How many grievances did the Agency redress during the year? (iii) How many grievances are pending for disposal at the end of the year? (iv) What was the most common type of grievance against members? (v) What was the average time taken for disposal of grievances?			

7	204(g)		(i) Whether the Agency has published details about its functions on its website? At what frequency these details are updated? (ii) Whether the Agency has published the list of its members on its website? At what frequency the list is updated? (iii) Whether the Agency has published the performance of its members on its website? At what frequency these details are updated?			
8	205		(i) Whether the bye-laws made by the Agency are consistent with the model bye-laws specified by the Board under section 196(2)? (ii) Whether the Agency has modified any provision in the bye-laws during the year? (iii) Whether approval of the Board for change in bye-laws has been obtained?			
Part B: Compliances with provisions of the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016						
9	3(1)		Whether the Agency is a company registered under section 8 of the Companies Act, 2013?			
10	3(1)(a)		Whether the Agency's sole object is to carry on the functions of an insolvency professional agency under the Code?			
11	3(1)(b)		Whether the Agency has its bye-laws and governance structure in accordance with the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016?			
12	3(1)(c)		(i) Whether the Agency has a minimum net worth of ten crore rupees as on 31st March, ____? (ii) What is the net worth of the Agency as on 31st March, ____?			

13	3(1)(d)		(i) Whether the Agency has a paid-up share capital of five crore rupees as on 31st March, ____? (ii) What is the paid-up share capital of the Agency as on 31st March, ____?			
14	3(1)(e)		(i) Whether the Agency is under the control of any person resident outside India? (ii) List out the names of persons who are in control of the Agency as on 31st March, ____?			
15	3(1)(f)		(i) Whether more than forty-nine per cent of its share capital is held, directly or indirectly, by persons resident outside India? (ii) What is the share of resident Indians in shareholding of the Agency as on 31st March, ____?			
16	3(1)(g)		Whether the Agency is a subsidiary of a body corporate through more than one layer?			
17	3(1)(h)		(i) Whether the Agency is fit and proper person? (ii) Whether the promoters of the Agency are fit and proper persons? (iii) Whether the directors of the Agency are fit and proper persons? (iv) Whether the shareholders of the Agency are fit and proper persons?			
18	5(1)(b)		(i) Does the Agency have adequate infrastructure to perform its functions under the law? (ii) Provide brief details of infrastructure as on 31st March, ____ in terms of office premises, computing resources and human resources.			

19	5(1)(c)		(i) Does the Agency have a managing director? (ii) Does the Agency have a compliance officer? (iii) How many persons with professional and relevant experience are in employment of the Agency?			
20	5(2)(a)		Any contravention of the Code, rules, regulations or guidelines noticed by the Agency during the year?			
21	5(2)(b)		How many people are engaged full time to ensure compliances?			
22	5(2)(c)		(i) When did the Agency pay fee for financial year _____? (ii) What is the amount paid?			
23	5(2)(d)		How many persons hold more than ten per cent. share capital, directly or indirectly, of the Agency?			
24	5(2)(e)		How many grievances did the Agency receive during the year?			
25	5(3)		(i) Is the certificate of registration valid as on 31 st March, ____? (ii) When is the renewal of registration due?			
Part C: Compliances with the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016						
26	3(2)		Whether the bye-laws provide for all matters specified in the first schedule in the model bye-laws?			
27	3(3)		(i) Whether the bye-laws of the Agency are inconsistent with the model bye-laws? (ii) Whether there has been any change in the bye-laws during the year?			
28	3(4)		(i) Whether the Agency has published its bye-laws on its website? When was this published? (ii) Whether the Agency has published composition of all its committees formed under the bye-laws on its website? When was this			

			last updated?			
			(iii) Whether the Agency has published all its policies created under the bye-laws on its website? When was it published for the first time? When was it updated last?			
29	4(1)		(i) Whether the Agency amended its bye-laws during the year? (ii) Did it comply with the process for amendment provided in the regulations?			
30	5(1)		(i) Whether the Governing Board of the Agency had a minimum of seven directors throughout the year? (ii) How many meetings of the Governing Board were held during the year? (iii) How many members of the Governing Board attended all meetings during the year? (iv) How many members did not attend fifty per cent of the meetings during the year? Please name them.			
31	5(3)		Whether any employee of the Agency has been appointed as a director on its Governing Board in addition to the managing director as a shareholder director?			
32	5(4)		Whether more than half of the directors are persons resident in India at the time of their appointment, and at all times during their tenure as directors?			
33	5(4A)		Whether shareholder directors satisfies the eligibility norms, including experience and qualification, as decided by the Governing Board of the Agency?			
34	5(5)		(i) Whether the number of independent directors are less than the number of shareholder directors throughout the year? (ii) Whether any meeting of the Governing Board was held without			

			the presence of at least one independent director?			
35	5(6)		Whether the independent directors appointed by the Agency satisfy the criteria laid down in regulation 5(6)?			
36	5(7)		Whether the Agency submitted list of names to the Board for nomination of independent directors?			
37	5(8)		Whether the independent directors were appointed for a maximum of two terms of three years each or part thereof, or up to the age of 75 years, whichever is earlier?			
38	5(9)		Whether the Governing Board of the Agency accorded satisfactory performance review to the independent director in case of the second term referred to in regulation 5(8)?			
39	5(10)		(i) Whether any independent director became a shareholder director in the same or another Agency? (ii) Whether cooling off period of three years was ensured for appointment of independent director as a shareholder director in the same or another Agency?			
40	5(11)		How many independent directors are insolvency professionals as on 31 st March, ___?			
41	5(12)		(i) Is the Chairperson of the Governing Board an independent director throughout the year? (ii) How many meetings of the Governing Board did the Chairperson of the Governing Board chair during the year?			
42	5(13)		(i) Whether any director disclosed the nature of his interest at the meeting of Governing Board or any Committee of the Agency under regulation 5(13)? (ii) Whether the disclosure made by			

			the director under regulation 5(13) was recorded in the proceedings of the Governing Board or the Committee, as the case may be? (iii) Whether the director under regulation 5(13) took part in any deliberation or decision of the Governing Board or the Committee with respect to that matter?			
43	5(14)		(i) Whether any director disclosed any order of any authority that affects his character or reputation, to the Agency, within one week of issue of such order? (ii) Whether order referred in Para (i) above was placed on the website of the Agency?			
44	5A(1)		Whether the Agency satisfy the criteria for appointment of a managing director as laid down in regulation 5A(1)?			
45	5A(2)		Whether the managing director was appointed for a tenure of not less than three years but not exceeding five years?			
46	5A(3)		Whether any managing director served more than two terms in the Agency?			
47	5A(4)		Whether the process of appointment for the second term of an individual as managing director conducted afresh?			
48	5A(5)		Whether the appointment and remuneration payable to the managing director was approved by the compensation committee constituted by the Governing Board of the Agency?			
49	5A(6)		Whether prior approval of the Board was taken by the Agency for appointment, renewal of			

			appointment and termination of service of its managing director?			
50	5A(7)		(i) Whether any managing director was removed or terminated from service by the Governing Board for failure to give effect to the directions, guidelines and other orders issued by the Governing Board or the Board, or the rules, the articles of association or bye-laws of the Agency or on the ground of misconduct or incapacity to continue in office? (ii) In cases specified in (i) above whether prior approval of the Board was taken?			
51	5A(8)		Whether the Board has <i>suo motu</i> removed or terminated the services of any managing director of the Agency, in the interest of stakeholders of the insolvency resolution process or in the public interest, after giving a reasonable opportunity of being heard?			
52	5A(9)		Is managing director an <i>ex-officio</i> member of Membership Committee, Monitoring Committee, Grievance Redressal Committee and Disciplinary Committee?			
53	6(1)		Whether the Governing Board evaluates its performance in a financial year within three months of the closure of the year?			
54	6(2)		Whether the Agency has published a report on self-evaluation referred to in regulation 6(1) on its website?			
55	7(1)		Whether the Agency has designated or appointed a compliance officer responsible for ensuring compliance with the provisions of the Code and regulations, circulars, guidelines, and directions issued thereunder?			

56	7(2)		Whether the compliance officer, immediately and independently, reported to the Board any non-compliance of the provisions referred to in regulation 7(1)?			
57	7(3)		(i) Whether the compliance officer has submitted a compliance certificate to the Board annually, verifying that the Agency has complied with the provisions referred to in sub-regulation 7(3)? (ii) Whether the annual compliance certificate was also signed by the managing director of the Agency?			
58	7(4)		Whether the Governing Board has appointed or removed the compliance officer by means of a resolution passed in its meeting?			
Part D: Compliance with the Model Bye-Laws of an Insolvency Professional Agency						
59	5(2)		Did the Agency carry on any function or activity other than the functions of the agency under the Code, and functions incidental thereto?			
60	6(1)		Whether Agency has maintained high ethical and professional standards in the regulation of its professional members during the year?			
61	6(2)(a)		(i) Whether the Agency has ensured compliance with the Code and rules, regulations and guidelines issued thereunder governing the conduct of insolvency professional agencies during the year? (ii) Whether the Agency has ensured compliance with the Code and rules, regulations and guidelines issued thereunder governing the conduct of insolvency professionals during the year? (iii) Did any non-compliance come to the notice of the Agency?			
62	6(2)(b)		Whether the Agency has employed fair, reasonable, just, and non-discriminatory practices for the			

			enrolment and regulation of its professional members?			
63	6(2)(c)		(i) How many directions the Agency has issued to its professional members during the year? (ii) Whether the Agency has ensured compliance with the directions issued to its professional members?			
64	6(2)(d)		(i) How many programmes did the Agency organise during the year to develop the profession of insolvency professionals: (a) Seminars / conferences (b) Workshops (c) Training (ii) How many insolvency professionals benefited from / participated in these programmes during the year? (iii) How many professional members did not participate in any of the programmes organized by the Agency?			
65	6(2)(e)		(i) How many programmes did the Agency organise for continuing professional development of the profession of insolvency professionals during the year: (a) Seminars / conferences (b) Workshops (c) Training (ii) How many insolvency professionals benefited from / participated in these programmes during the year? (iii) How many insolvency professionals did not participate in any of the programmes organised by the Agency? (iv) Are the programmes in above row different from the programmes under this row?			

66	6(2)(f)		(i) What is the specific intervention the Agency did to ensure high standards of professional and ethical conduct of its members? (ii) Did the ethical standards of its members improve during the year? What is the matrix used to indicate improvement?			
67	6(2)(g)		What details did the Agency provide to the Board about its activities?			
68	7(1)		(i) Whether any Advisory Committee has been constituted? (ii) How many times the committee met during the year? (iii) Whether the advice of the Advisory Committee were considered by the Governing Board of the Agency? (iv) Which specific advice, if any, was rejected by the Governing Board?			
69	8(1)(a)		(i) How many Membership Committees did the Agency constitute during the year? (ii) How many meetings the committee(s) had during the year? (iii) Whether the Chairperson(s) of the committee(s) are independent directors of the Agency?			
70	8(1)(b)		(i) Whether the Agency has constituted the Monitoring Committee? (ii) How many meetings the committee had during the year? (iii) Whether the Chairperson of the committee is an independent director of the Agency?			
71	8(1)(c)		(i) How many Grievance Redressal Committee(s) did the Agency constitute during the year? (ii) How many meetings the			

			committee(s) had during the year? (iii) Whether the Chairperson(s) of the committee(s) are independent directors of the Agency? (iv) Did each of the committees have at least one professional member at all times during the year? (v) Please write the names of professional members who was / were member of the committee during the year.			
72	8(1)(d)		(i) How many Disciplinary Committee(s) did the Agency constitute during the year? (ii) How many meetings the committee(s) had during the year? (iii) Whether the Chairpersons of the committee(s) are independent directors of the Agency? (iv) Did the nominee of the Board attend all meetings of the committee?			
73	9		(i) How many members were enrolled during the year? (ii) How many of them were eligible for enrolment? (iii) Whether Governing Board provided additional eligibility requirement for enrolment as a professional member? (iv) Whether the additional eligibility requirements discriminate on grounds of religion, race, caste, gender, place of birth or professional affiliation?			
74	10		(i) Number of applications received. (ii) Number of applications accepted. (iii) Number of applications rejected. (iv) Number of applications pending.			

			(v) Number of professional members as on 01 st April, _____. (vi) Number of professional members as on 31 st March, _____. (vii) Number of new members enrolled during the year. (viii) Number of members who left the Agency during the year.			
75	10(8)		How many appeals did the Membership Committee receive during the year?			
76	10(9)		(i) How many appeals did the Membership Committee dispose of during the year? (ii) How many appeals did the Membership Committee dispose of within thirty days of receipt of the appeal?			
77	11		(i) What is the fixed sum of money charged annually from each professional member? (ii) How many members did not pay the membership fee?			
78	12(1)		Whether the Agency has a register of its professional members containing their particulars as per clause 12(1)?			
79	12A		(i) Number of applications received for issue or renewal of authorisation for assignment. (ii) Number of applications accepted. (iii) Number of applications rejected. (iv) Number of applications pending. (v) Number of deemed authorisation for assignment.			
80	12A(7)		How many appeals concerning authorisation for assignment did the Membership Committee receive during the year?			
81	12A(8)		(i) How many appeals concerning authorisation for assignment did the Membership Committee dispose of during the year?			

			(ii) How many appeals concerning authorisation for assignment did the Membership Committee dispose of within fifteen days of receipt of the appeal?			
82	14		(i) Whether the Agency has a Code of Conduct that is consistent with and provides for all matters in the Code of Conduct as specified in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016? (ii) How many members violated any provision of the Code of Conduct during the year?			
83	15		Whether the Agency has 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 thereunder?			
84	16		(i) Whether the Agency has prescribed the manner and format for collecting information from professional members as insolvency professionals, including records of ongoing and concluded engagements? (ii) Did the Agency receive information from all members as required above? (iii) How many members submitted information in the prescribed format at least twice during the year? (iv) Has the Agency taken appropriate action against those members who did not submit the information?			
85	17		Did the Monitoring Committee review the information and records submitted by the members?			
86	18		(i) Did the Monitoring Committee evaluate the performance of members?			

			(ii) What is the assessment of the performance of the members, according to the Monitoring Committee?			
87	20		Whether the Agency has submitted a report to the Board?			
88	21		(i) Whether the Agency has a Grievance Redressal Policy providing the procedure for receiving, processing, redressing and disclosing grievances against the Agency or any professional member of the Agency? (ii) Have the details of grievances been disclosed during the year? (iii) Number of grievances received. (iv) Number of grievances dismissed. (v) Number of grievances where mediation was initiated between parties for redressal of grievance. (vi) Number of matters referred to the Disciplinary Committee.			
89	24		(i) How many disciplinary proceedings were initiated by the Agency based on reference made by the Grievance Redressal Committee during the year? (ii) How many of them have been disposed of? (iii) How many disciplinary proceedings were initiated by the Agency based on monitoring of professional members during the year? (iv) How many of them have been disposed of? (v) How many disciplinary proceedings were initiated by the Agency based on directions of the Board or any court of law during the year?			

			(vi) How many of them have been disposed of? (vii) How many disciplinary proceedings were initiated by the Agency <i>suo moto</i> during the year? (viii) How many of them have been disposed of?			
90	24(4)		Whether all orders passed by the Disciplinary Committee have been placed on the website of the Agency within seven days from passing of the said order?			
91	24(5)		(i) How much monetary penalty was imposed by the Disciplinary Committee during the year? (ii) How much of penalty imposed has been realised during the year? (iii) What is the highest penalty imposed on a member? (iv) Whether the Agency has credited the monetary penalty imposed by the Disciplinary Committee to the Fund constituted under section 222 of the Code?			
92	25(1)		(i) Whether the Governing Board of the Agency has constituted an Appellate Panel, as required? (ii) How many members are common to the Disciplinary Committee and the Appellate Panel? (iii) How many meetings of the Appellate Panel were held during the year? (iv) Did the Board's nominee attend all the meetings of the Appellate Panel?			
93	25(2)		(i) How many appeals were received by the Appellate Panel during the year? (ii) How many appeals were			

			disposed of by the Appellate Panel during the year? (iii) How many appeals were disposed of after thirty days of the receipt of the appeal? (iv) How many appeals were dismissed? (v) How many appeals are pending for disposal as on 31 st March, _____?			
94	27		(i) How many applications were received for surrender of membership during the year? (ii) How many applications were accepted? (iii) How many applications were rejected? (iv) How many applications are pending, if any, as on 31 st March, _____?			
95	30		How many members were expelled by the Agency during the year?			
Part E: Compliances under applicable circulars issued by the Board						
96	(Circular)		(i) How many members complied with the circular during the year? (ii) How many members did not comply with the circular? (iii) Have you taken action against the members who did not comply with the circular?			

(_____)
Compliance Officer, (Name of IPA)

Note: The compliances with the Additional Bye-laws and Circulars issued by the IPA not covered above shall be submitted by the registered insolvency professional agencies separately.