

**IBC**

2016

IP · IPA · IPE · IU

# Cross-Comparison under the Insolvency and Bankruptcy Code, 2016

*Registration · Eligibility · Net Worth · Fees · Shareholding · Bye-Laws · Amendment · Penalties · Governance*

**IP**

Insolvency Professional

Secs 206–208 | IP Regs 2016

**IPA**

Insolvency Professional Agency

Secs 199–205 | IPA Regs 2016

**IPE**

Insolvency Professional Entity

Reg 12–13 | IP Regs 2016

**IU**

Information Utility

Secs 209–216 | IU Regs 2017

# 01

## BASIC IDENTITY & GOVERNING FRAMEWORK

What they are · Governing Sections · Part of IBC

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### IP

Secs 206-208  
IP Regs 2016

### IPA

Secs 199-205  
IPA Regs 2016

### IPE

Reg 12-13  
IP Regs 2016

### IU

Secs 209-216  
IU Regs 2017

# Basic Identity & Governing Framework

Nature · Governing Sections · Part of IBC | Source: IBC Part IV (Secs. 195–223) + Regulations

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Nature / Who is it?</b>	An individual enrolled with an IPA and registered with IBBI to act as IRP/RP/Liquidator/Bankruptcy Trustee	A body corporate registered with IBBI, whose sole purpose is to promote, regulate and develop the profession of IPs	A company, Reg. Partnership Firm or LLP, majority of whose directors/partners are IPs — provides platform for IPs to practice together	A person (company) registered with IBBI to collect, collate, authenticate and disseminate financial information
<b>Governing Sections (IBC)</b>	Secs. 206–208 + IP Regulations 2016	Secs. 199–205 + IPA Regulations 2016 + Model Bye-Laws Regs 2016	Reg. 12–13 IP Regulations 2016	Secs. 209–216 + IU Regulations 2017
<b>Part under IBC</b>	Part IV — Chapter IV (Insolvency Professionals)	Part IV — Chapter III (IP Agencies)	Part IV — Chapter IV (sub-set of IP regime)	Part IV — Chapter V (Information Utilities)
<b>Primary Role</b>	Conduct insolvency proceedings — IRP, RP, Liquidator, Bankruptcy Trustee, RP for PG	Enrol IPs as members; regulate their conduct; set & enforce bye-laws; provide AFA (Authorisation for Assignment)	Provide an entity platform for IPs to operate jointly; IP can only render services if partner/director of IPE (if not Indian citizen)	Provide core services: accept electronic submission of financial info; record, authenticate and provide access to financial information
<b>Who can apply / Eligibility base</b>	Individual — citizen of India; passed LIE (Limited Insolvency Examination)	Company registered u/s 8 of Companies Act — sole purpose to carry out functions of IPA	Company / Registered Partnership Firm / LLP — majority of directors/partners/shareholders are IPs	Public Company — sole purpose to provide support services under IU Regulations

# 02 REGISTRATION & ELIGIBILITY

Application · Net Worth · Paid-up Capital · Certificate · Validity

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## IP

Secs 206-208  
IP Regs 2016

## IPA

Secs 199-205  
IPA Regs 2016

## IPE

Reg 12-13  
IP Regs 2016

## IU

Secs 209-216  
IU Regs 2017

# Registration — Eligibility & Net Worth (1 of 2)

Nature · Min. Net Worth · Paid-up Capital · Shareholding Cap | Source: IPA Regs, IP Regs, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Minimum Net Worth</b>	Not prescribed as such; must clear LIE within 12 months of application date	Min. Net Worth: ₹10 Crore Min. Paid-up Capital: ₹5 Crore	Min. Net Worth: ₹1 Crore (Company / Reg. Partnership Firm / LLP)	Min. Net Worth: ₹50 Crore
<b>Minimum Paid-up Capital</b>	Not prescribed	₹5 Crore	Not specifically prescribed	Not specifically prescribed (₹50 Cr net worth is the threshold)
<b>Max. shareholding (single person, direct/indirect)</b>	N/A (individual)	≤5% of paid-up capital or voting power of IPA by any one person	Majority of equity shares & voting rights held by IPs who are directors	≤10% of paid-up equity capital or voting power of IU (exceptions for Govt., banks, stock exchanges etc.)
<b>Exceptions to shareholding cap</b>	—	Up to 15%: Stock exchange, depository, bank, insurance co., public FI, multilateral FI Up to 100%: Central/State Govt., statutory regulator	—	Up to 25%: Govt. co., stock exchange, depository, bank, insurance co., public FI Up to 100%: Central/State Govt., statutory regulator Listed Indian co. (no individual >10%) → 100% for 3 years

 IP — Insolvency Professional

 IPA — IP Agency

 IPE — IP Entity

 IU — Information Utility

# Registration — Eligibility & Net Worth (2 of 2)

Foreign Control · Subsidiary Cap · Fit & Proper | Source: IPA Regs Reg. 3, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Control by persons resident outside India</b>	N/A	NOT under control of person resident outside India ≤49% of share capital held directly or indirectly by persons resident outside India	Not applicable	NOT under control of person resident outside India ≤49% of share capital / voting power held by persons resident outside India
<b>Holding structure cap</b>	—	Not a subsidiary of a corporate body through more than 1 layer	—	Not prescribed specifically
<b>Fit &amp; Proper — applies to</b>	IP himself (integrity, absence of conviction, competence, financial solvency)	Applicant, promoters, directors, shareholders of IPA (includes integrity, reputation, character, absence of conviction & restraint order, competence, financial solvency & net worth)	IP directors/partners individually (as registered IPs under IP Regs)	Applicant, promoters, directors, shareholders of IU (including persons holding >5% share capital)
<b>Prior Board approval needed for shareholding change</b>	Not prescribed	When any person (other than statutory body) seeks to hold more than 10% of share capital directly or indirectly (Reg. 5 — IPA Regs)	Not separately prescribed	Board approval needed when any person seeks to hold >5% of share capital; also for change in control, M&A, sale of major undertaking, VL or discontinuance (Reg. 7 — IU Regs)
<b>Nationality / Citizenship</b>	Must be citizen of India Cannot render services unless partner/director of IPE, if not a citizen of India	>50% of directors must be resident in India	No explicit citizenship requirement (but majority of directors/partners must be IPs who are Indian citizens)	NOT under control of persons resident outside India ≤49% non-resident shareholding

# Registration — Application, Certificate & Validity

Application Form · Fees · Certificate · Validity Period · Renewal | Source: IPA Regs, IP Regs, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Application Form</b>	Form A (IP Regulations, Reg. 6) Also Form AA for renewal	Form A (IPA Regulations, Reg. 4(1))	Form C (IP Regulations, Reg. 12)	Form A (IU Regulations)
<b>Registration / Application Fee (non-refundable)</b>	₹20,000 (Reg. 6 — IP Regs) Payable with Form A	₹10 Lakh (registration) ₹5 Lakh (renewal) (Reg. 4(1) — IPA Regs)	₹50,000 (Form C) (Reg. 12 — IP Regs)	₹10 Lakh (registration as well as renewal) (IU Regs)
<b>Certificate Form</b>	Form B (IP Regulations, Reg. 7)	Form B (IPA Regulations, Reg. 5)	Form D (IP Regulations, Reg. 13)	Form B (IU Regulations)
<b>Validity of Certificate</b>	5 years from date of issue (renewable)	5 years from date of issue (renewable) Renewal fees within 15 days of commencement of FY	Not prescribed as a fixed term (ongoing, subject to compliance)	5 years from date of issue (renewable) Renewal fees ₹1 Crore within 15 days of issue
<b>Board's time to grant certificate</b>	Within 60 days of receipt of application (Reg. 7 — IP Regs)	Within 60 days of receipt of application (Reg. 5 — IPA Regs)	Within period as per Reg. 13 — IP Regs	Within 60 days of receipt of application (IU Regs)
<b>Grant-in-Principle Approval</b>	Not applicable	Board may grant in-principle approval (Reg. 10) with ₹10 Lakh fee, valid for 1 year, to proposed IPA not yet incorporated	Not applicable	Board may grant in-principle approval (Reg. 7 — IU Regs) with ₹10 Lakh fee, valid for 1 year
<b>Renewal — when to apply</b>	Before expiry of certificate	6 months before expiry of registration	Ongoing compliance (no fixed renewal cycle)	6 months before expiry of registration

# 03

## ANNUAL FEES & RECURRING OBLIGATIONS

Board Fees · Annual Statement · Compliance Certificate

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### IP

Secs 206-208  
IP Regs 2016

### IPA

Secs 199-205  
IPA Regs 2016

### IPE

Reg 12-13  
IP Regs 2016

### IU

Secs 209-216  
IU Regs 2017

# Annual Fees & Recurring Financial Obligations

Board Fees · Basis · Form · Due Date · Interest on Delay | Source: IP Regs, IPA Regs, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Annual Fee — Basis</b>	@1% of professional fees earned in preceding FY <i>Reg. 7(2)(ca) — IP Regs</i>	Annual Fees @10% of turnover [In addition to registration fee of ₹10 Lakh] <i>Reg. 6 — IPA Regs</i>	@1% of turnover from services rendered in preceding FY <i>Reg. 13(2)(ca) — IP Regs</i>	@10% of turnover from services in preceding FY <i>IU Regs — Reg. 6</i>
<b>Annual Fee — Form</b>	Form E (Annual statement of professional fees)	No specific annual fee form (Direct payment + turnover statement)	Form G (Annual statement of turnover of IPE)	No specific form (Statement of accounts / audit)
<b>Annual Fee — Due Date</b>	On or before 30th April of each year	Within 15 days of commencement of FY	On or before 30th April of each year	On or before 30th April of each year
<b>Interest on delayed payment</b>	Simple interest @12% p.a. on unpaid amount (from due date till payment)	Simple interest @12% p.a. until paid <i>Reg. 5 — IPA Regs</i>	Simple interest @12% p.a. on unpaid amount	Simple interest @12% p.a. until paid <i>IU Regs</i>
<b>Compliance Certificate</b>	Not applicable as a separate certificate	Not specifically prescribed (but disciplinary mechanism applies)	Form H (Compliance Certificate) Submit to Board by 15th October each year for preceding FY <i>Reg. 13(2) — IP Regs</i>	Annual audited accounts to be submitted to Board
<b>Change notification fee</b>	Not applicable	Not specifically prescribed	₹2,000 per notification (Form F) when director/partner ceases or joins IPE (within 7 days) <i>Reg. 13(2)(b) &amp; (c) — IP Regs</i>	Board to be intimated within 15 days if a person holding >5% of share capital / voting power ceases to hold it
<b>Records maintenance</b>	Minimum 3 years <i>IP Regulations</i>	As per Board requirements	As per Board requirements	Books, records & documents to be maintained as prescribed

 IP — Insolvency Professional

 IPA — IP Agency

 IPE — IP Entity

 IU — Information Utility

# 04

## GOVERNANCE & BOARD STRUCTURE

Governing Board · Independent Directors · Chairperson · Quorum

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### IP

Secs 206-208  
IP Regs 2016

### IPA

Secs 199-205  
IPA Regs 2016

### IPE

Reg 12-13  
IP Regs 2016

### IU

Secs 209-216  
IU Regs 2017

# Governance — Board Composition & Independent Directors

Governing Board · Independent Directors · Chairperson · Residency | Source: IPA Regs Reg 3, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Governing Board / Management</b>	No governing board (individual entity) Subject to Code of Conduct under IP Regs	Governing Board per Bye-Laws (consistent with Model Bye-Laws): <ul style="list-style-type: none"> <li>&gt;50% directors Independent</li> <li>Min. 1 ID to conduct meeting</li> <li>ID shall chair the Board</li> <li>&gt;50% directors resident in India</li> <li>Not more than 1/4th directors may be IPs</li> </ul>	Board of Directors / Partners Majority must be IPs No prescribed 'independent director' structure	Governing Board per Bye-Laws (consistent with Board Bye-Laws): <ul style="list-style-type: none"> <li>&gt;50% directors Independent</li> <li>Min. 1 ID to conduct meeting</li> <li>ID shall chair the Board</li> </ul>
<b>Chairperson requirement</b>	N/A	Independent Director shall be Chairperson	N/A	Independent Director shall be Chairperson
<b>'Not more than' Director cap (IPs)</b>	N/A	Not more than 1/4th of directors of IPA shall be IPs <i>Reg. 3 — IPA Regs</i>	Majority of directors must be IPs — at least >50%	No specific cap on IPs as directors (different-purpose entity)
<b>Persons resident in India</b>	Must be citizen of India <i>IP Regs — eligibility</i>	>50% of directors shall be persons resident in India <i>Reg. 3 — IPA Regs</i>	Not specifically prescribed for majority of directors	Not specifically prescribed (foreign control restricted by 49% cap)
<b>Whole-time member for disciplinary orders</b>	Not required (DC can be any member)	Order may be passed by any member of the Board <i>Reg. 8 — IPA Regs: full-time director not required, unlike IPE</i>	Only a whole-time member of the Board can pass a disciplinary order <i>per DC proceedings — IP Regs</i>	Only a whole-time member of the Board can pass a disciplinary order
<b>Fit &amp; Proper criteria applies to</b>	IP himself	Applicant, promoters, directors & shareholders of IPA	IP directors/partners themselves (by virtue of IP registration)	Applicant, promoters, directors & shareholders of IU (incl. persons holding >5% share capital)

 IP — Insolvency Professional

 IPA — IP Agency

 IPE — IP Entity

 IU — Information Utility

# 05

## BYE-LAWS, AMENDMENT & AFA

Amendment Threshold · Timeline · AFA · Surrender

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### IP

Secs 206-208  
IP Regs 2016

### IPA

Secs 199-205  
IPA Regs 2016

### IPE

Reg 12-13  
IP Regs 2016

### IU

Secs 209-216  
IU Regs 2017

# Bye-Laws, Amendment & AFA

Amendment Threshold · Filing Timeline · AFA · Surrender of Registration | Source: Model Bye-Laws Regs, IP Regs, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Has Bye-Laws?</b>	No separate bye-laws (governed by IP Regs + Code of Conduct)	YES — must have Bye-Laws consistent with Model Bye-Laws prescribed by IBBI <i>Sec. 205 IBC + Model Bye-Laws Regs 2016</i>	No separate bye-laws (governed by IP Regs)	YES — must have Bye-Laws consistent with Board bye-laws <i>IU Regs</i>
<b>Amendment of Bye-Laws — approval threshold</b>	N/A	75% approval of Governing Body (Board of Directors) — i.e. a 3/4 majority <i>Reg. 4 — Model Bye-Laws Regs</i>	N/A	75% approval of Governing Body (Board of Directors) <i>IU Regs — same threshold as IPA</i>
<b>Amendment — filing with Board</b>	N/A	Resolution to be filed with IBBI within 7 days of approval	N/A	Resolution to be filed with IBBI within 7 days of approval
<b>Amendment — effective date</b>	N/A	7th day of receipt by IBBI (after Board acknowledges)	N/A	7th day of receipt by IBBI
<b>Amended bye-laws — printed-form filing</b>	N/A	Within 15 days from the effective date	N/A	Within 15 days from the effective date
<b>AFA (Authorisation For Assignment)</b>	Must hold a valid AFA to take new assignments (after 31 Dec 2019)	IPA issues, renews, suspends & cancels AFA. Must inform Board within 1 working day of each action <i>Reg. 10 — IP Regs</i>	IPE's partner/director must hold AFA — else IPE cannot take assignments	N/A — IU does not conduct insolvency proceedings
<b>Surrender of Registration</b>	Not specifically prescribed (suspension/cancellation by Board on DC order)	IPA may apply to surrender registration: <ul style="list-style-type: none"> <li>• Board publishes notice in 7 days</li> <li>• Objections within 14 days</li> <li>• Board approves in 30 days</li> <li>• Board publishes the surrender</li> </ul> <i>Reg. 7 — IPA Regs</i>	Not specifically prescribed (cessation by Director/Partner notified in Form F within 7 days)	IU may seek Board approval for: <ul style="list-style-type: none"> <li>• &gt;5% shareholder change</li> <li>• Change in control</li> <li>• Merger / acquisition / major sale</li> <li>• Voluntary liquidation</li> </ul> <i>Reg. 7 — IU Regs</i>

# 06

## DISCIPLINARY PROCEEDINGS & REJECTION

Show Cause Notice · Timeline · Appeal · Rejection of Application

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### IP

Secs 206-208  
IP Regs 2016

### IPA

Secs 199-205  
IPA Regs 2016

### IPE

Reg 12-13  
IP Regs 2016

### IU

Secs 209-216  
IU Regs 2017

# Disciplinary Proceedings & Application Rejection

Show Cause Notice · DC Timeline · Order Effective Date · Appeal | Source: IP Regs, IPA Regs, IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Show Cause Notice — mode of service</b>	At IP's address (given by him or the IPA) — by registered post w/ acknowledgement OR electronic means <i>Reg. 11 — IP Regs</i>	At IPA's registered office — by registered post w/ acknowledgement OR electronic means <i>Reg. 8 — IPA Regs</i>	Same as IP — through the IPA or directly <i>Reg. 11 — IP Regs applies</i>	At IU's registered office — by registered post w/ acknowledgement OR electronic means
<b>DC — dispose of SC Notice within</b>	6 months of receipt of SC notice <i>Reg. 11 — IP Regs</i>	6 months of receipt of SC notice <i>Reg. 8 — IPA Regs</i>	6 months of receipt of SC notice <i>Reg. 11 — IP Regs</i>	6 months of receipt of SC notice <i>IU Regs</i>
<b>Order — effective date</b>	Not effective until 30 days have elapsed from date of issue of the DC order <i>Reg. 11 — IP Regs</i>	Not effective until 30 days have elapsed from date of issue of the DC order <i>Reg. 8 — IPA Regs</i>	Not effective until 30 days have elapsed from date of issue of the DC order	Not effective until 30 days have elapsed from date of issue of the DC order
<b>Who can pass a disciplinary order</b>	Any member of the Board (full-time director not required for IP) <i>Reg. 11 — IP Regs</i>	Any member of the Board (full-time director not required — unlike IPE) <i>Reg. 8 — IPA Regs</i>	Only a WHOLE-TIME MEMBER of the Board (unlike IP and IPA) <i>IP Regs</i>	Only a whole-time member of the Board <i>IU Regs</i>
<b>Appeal against order</b>	IP may appeal to NCLAT within 30 days of receipt of order <i>Reg. 11 — IP Regs</i>	IPA may appeal to NCLAT within 30 days of receipt of order <i>Reg. 9 — IPA Regs</i>	May appeal to NCLAT within 30 days	May appeal to NCLAT within 30 days
<b>Rejection of Application — timeline</b>	Board rejects within 45 days; IP responds in 15 days; Board decides in 30 days of explanation <i>Reg. 8 — IP Regs</i>	Board rejects within 45 days; IPA responds in 15 days; Board decides in 30 days of explanation <i>Reg. 6 — IPA Regs</i>	Same as IP <i>Reg. 13 — IP Regs</i>	Board rejects within 45 days; IU responds in 15 days; Board decides in 30 days of explanation <i>IU Regs</i>
<b>Order publication</b>	Published on the website of the Board <i>Reg. 11 — IP Regs</i>	Published on the Board's website AND issued to the IPA immediately <i>Reg. 8 — IPA Regs</i>	Published on the website of the Board <i>IP Regs</i>	Published on the website of the Board

# 07 KEY OBLIGATIONS & RESTRICTIONS

Code of Conduct · Prior Approvals · Citizenship · Core Services

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## IP

Secs 206-208  
IP Regs 2016

## IPA

Secs 199-205  
IPA Regs 2016

## IPE

Reg 12-13  
IP Regs 2016

## IU

Secs 209-216  
IU Regs 2017

# Key Obligations & Restrictions

Code of Conduct · Citizenship · Pecuniary Relationships · Prior Board Approval | Source: IBC Secs. 206-216, IP/IPA/IU Regs

Parameter	IP (Insolvency Professional)	IPA (IP Agency)	IPE (IP Entity)	IU (Information Utility)
<b>Code of Conduct</b>	Must abide by Code of Conduct (Sec. 208(2) + First Schedule of IP Regs) Disclosure of pecuniary/personal relationships with stakeholders mandatory	Must ensure its enrolled members abide by Code of Conduct; govern and regulate members through bye-laws	Partners/Directors must each abide by Code of Conduct as individual IPs	Must provide 'core services' as defined in Sec. 3(8) — accepting submissions, recording, authenticating, providing access to financial information
<b>Citizenship / Residency</b>	Must be citizen of India Cannot render services unless partner/director of IPE, if not a citizen of India (IP Regs)	>50% of directors must be resident in India (Reg. 3 — IPA Regs)	No explicit citizenship requirement but majority of directors/partners must be IPs (who individually must be Indian citizens)	NOT under control of persons resident outside India ≤49% shareholding by non-residents
<b>Prior Board approval needed for</b>	Not prescribed specifically (subject to Code of Conduct and IPA's AFA mechanism)	When any person (other than statutory body) seeks to hold more than 10% of share capital directly or indirectly (Reg. 5 — IPA Regs)	Not separately prescribed (follow IP Regs for each IP partner/director)	Board approval needed when any person seeks to hold more than 5% of share capital; and for: change in control, M&A, VL, sale of major undertaking (Reg. 7 — IU Regs)
<b>IPA membership requirement for IP</b>	Must be enrolled as member of an IPA Registered with IBBI separately LIE clearance within 12 months of application	Must grant membership to eligible IPs Provide AFA (Authorisation for Assignment) Regulate members through bye-laws	IP must be partner/director of IPE to practice as IPE IPE cannot take assignments unless each IP partner/director holds valid AFA	N/A — IU does not deal in insolvency proceedings
<b>Pecuniary relationship restrictions</b>	Must disclose any pecuniary or personal relationship with any stakeholder Cannot act if conflict of interest arises	Independent directors of IPA must not have pecuniary relationship with IPA, its directors, or shareholders holding >10% of share capital for 2 preceding FYs or current FY	Partners/Directors individually must disclose pecuniary relationships (as IPs under IP Regs)	Independent directors of IU must not have pecuniary relationship with IU, its directors, or shareholders holding >10% of share capital for 2 preceding FYs or current FY
<b>Can render insolvency services?</b>	YES — acts as IRP, RP, Liquidator, Bankruptcy Trustee, RP for PG	No — IPA does NOT render insolvency services itself; it only regulates and provides AFA to IPs	YES — through its IP partners/directors who act as IRP/RP/Liquidator in their individual capacity	No — IU only provides information services (core services) not insolvency resolution services

# Disclosure of Relationship by an IP — the Clauses

Code of Conduct for IPs · First Schedule under Reg 7(2)(h), IP Regulations 2016 | Disclosure largely to the IPA

Clause	What must be disclosed	To whom / when
3A	Any conflict of interest met during an assignment	To the stakeholders, whenever such conflict arises
8	Any pecuniary or personal relationship with a stakeholder entitled to distribution u/s 53 or 178	As soon as aware — declared to the applicant, CoC and the person proposing appointment
8A	Whether he was an employee of, or on the panel of, any financial creditor of the corporate debtor	To the CoC and to his IPA — the IPA publishes it on its website
8B	His relationship (if any) with the CD, other professionals he engages, financial creditors, interim finance providers and prospective resolution applicants	To his IPA, within 3 days of each trigger event (see next slide)
8C	The relationship of other professionals he engages — with himself, the CD, the FCs, etc.	To his IPA, within 3 days of the professional's appointment / the relevant event
8D	Confirmation that the appointment of every other professional was made on an arm's-length basis	Timely & correct confirmation to his IPA

# Disclosure of Relationship — Timelines & the Four “Kinds”

Code of Conduct for IPs · First Schedule under Reg 7(2)(h) | Clause 8B timelines + Explanation to 8B/8C

## When to disclose (Clause 8B) — within 3 days of:

Relationship with	Disclose within 3 days of
Corporate debtor	his appointment
Other professionals he appoints	appointment of those professionals
Financial creditors	constitution of the CoC
Interim finance providers	the agreement with the provider
Prospective resolution applicants	supply of the information memorandum
Arises / noticed later	such notice or arising

## What counts as a “relationship” — four kinds (A–D)

Kind	Nature of relationship (at any time, or in the 3 preceding years)
A	Derived 5% or more of gross revenue in a year from professional services to the related party
B	Is a shareholder, director, KMP or partner of the related party
C	A relative (spouse, parents, parents of spouse, siblings of self & spouse, children) has a kind-A or kind-B relationship with the related party
D	As a partner/director of a company, firm or LLP (e.g. an IPE or registered valuer), the kind A/B/C relationship of every partner or director of that entity with the related party

# Imposition of Penalties by IPAs on IPs

Model Bye-Laws & Governing Board of IPAs Regulations, 2016 · Clause 24 (Disciplinary Committee orders & monetary penalties)

## Orders the IPA Disciplinary Committee may pass

- Expulsion of the professional member
- Suspension for a specified period
- Cancellation of authorisation for assignment (AFA)
- Admonishment
- Imposition of monetary penalty (table at right)
- Reference to the Board (incl. restitution / compensation)
- Directions relating to costs

## Monetary penalty — two bands (per contravention)

Penalty band	Illustrative contraventions
<b>Up to ₹ 2,00,000 or 25% of fee, whichever higher — min ₹ 1,00,000</b>	Accepting an assignment with a conflict of interest; rejecting claims without reason / no due diligence; not complying with AA or Appellate directions; outsourcing duties; not appointing registered valuers; no public announcement; not rejecting an ineligible applicant's plan; not acting on PUFÉ transactions
<b>Up to ₹ 1,00,000 or 25% of fee, whichever higher — min ₹ 50,000</b>	Inadequate / incorrect disclosures or returns; poor record-keeping; not supplying information or not cooperating with inspection; no notice of creditors' meetings; improper / incomplete contracts; any bye-law or regulation breach with no specific penalty

**Also:** penalty realised by the IPA is credited to the Fund u/s 222; every order is published on the agency's website within 7 days and copied to the parties; an appeal lies to the IPA's Appellate Panel. **Expulsion** may follow an offence punishable with imprisonment over 6 months / moral turpitude, or a gross violation rendering the IP not fit and proper.

# Information Utilities — Framework & Core Services

IBBI (Information Utilities) Regulations, 2017 · Chapter V | What an IU is and what it must provide

**What is an IU?** A person registered with IBBI to collect, collate, authenticate and disseminate financial information; it holds the information as a custodian and renders its services in accordance with the Code.

## The four core services — section 3(9) of the Code

1

### Accept

Electronic submission of financial information, in the specified form & manner (Form C)

2

### Record

Safe and accurate recording of the financial information submitted

3

### Authenticate & verify

Authenticate and verify the financial information submitted by a person

4

### Provide access

Give entitled persons access to the information stored with the IU

**Provision of services (Reg 16):** an IU provides core services and other services under the Regulations in accordance with the Code; it may provide incidental services only with the Board's permission, and must comply with the applicable **Technical Standards** (laid down by the Board under Reg 13, on the recommendation of a Technical Committee) covering registration, submission, authentication, verification, consent, risk management, preservation and grievance redressal.

# Core Services — Registration, Submission & Access

IU Regulations 2017 · Chapter V (Reg 17–20 & Access) | How users register, submit and access information

Aspect	What the Regulations require
<b>Registration of users (Reg 17)</b>	Register with an IU to submit or access information; the IU verifies identity and grants a unique identifier. A person registers only once across all IUs; authorised representatives may act for a user. The IU maintains a list of users, identifiers and debt-identifiers and shares it with all IUs and the Board.
<b>Use of different IUs (Reg 18)</b>	A registered user may submit to any IU; different parties to the same transaction may use different IUs; a user may access information through any IU (interoperability).
<b>Submission / acceptance (Reg 20)</b>	Information is submitted in Form C. Before a section 7 or 9 application, the creditor first files the information of default for a record of default (Reg 21). The IU assigns a unique identifier, acknowledges receipt and notifies the terms of authentication/verification and how others may access it.
<b>Access to information</b>	Open to the submitting user, parties to the debt, the corporate person & its auditor, the IP, the Adjudicating Authority, the Board, and consented third parties. The user always sees the last-updated date and the authentication & verification status. Access to the AA and the Board is free of charge.
<b>Statements &amp; porting</b>	Free annual statement to every user; a functionality to flag and correct erroneous information; an IU may import (port) information from registries notified by the Board.
<b>Duties of the user</b>	Update submitted information monthly (in the first week of the following month); update information of default within 7 days of its occurrence; correct erroneous information expeditiously.



IP — Insolvency Professional



IPA — IP Agency



IPE — IP Entity



IU — Information Utility

# Authentication of Default (Reg 21)

IU Regulations 2017 · Chapter V | The process and the colour-coded status of a 'record of default'

## The process

1. On receipt, the IU expeditiously authenticates & verifies the information of default.
2. It delivers the information to the debtor seeking confirmation, within the time set in the Technical Standards.
3. If the debtor does not respond, it reminds at least three times — allowing three days each time.
4. Delivery is by hand, post or electronic means to the address registered with the IU → else MCA21 / CERSAI (or an approved repository) → else the Form C address.
5. It communicates the information and the authentication status to registered creditors, and to parties and sureties to the debt.
6. It records the status of authentication — the “record of default” is issued in Form D of the Schedule.

## Status recorded (Form D) — by the debtor’s response

Table 1 — general

Debtor’s response	Status	Colour
Confirms the default	Authenticated	Green
Disputes the default	Disputed	Red
No response after 3 reminders	Deemed Authenticated	Yellow

Table 2 — where the financial creditor is a scheduled bank

Debtor’s response	Status	Colour
Confirms the default, OR no response after 3 reminders	Authenticated	Green
Disputes the default	Disputed	Red

# Duties of Information Utilities (Chapter VI)

IU Regulations 2017 · Chapter VI (Reg 22–37A) | Core obligations, prohibitions & safeguards

Duty area	What the IU must do
<b>General &amp; non-discrimination</b>	Provide services with due and reasonable care, skill & diligence; hold the information as a custodian; serve without discrimination on grounds of place of residence/business or type of person (natural or artificial).
<b>Other duties</b>	Act only on the user's explicit consent; guarantee protection of users' rights; protect records against loss or destruction; adopt secure systems for information flows; and transfer all stored information to another IU on the user's request.
<b>Prohibitions</b>	Must NOT outsource the provision of core services; NOT use stored information for any other purpose without the Board's prior approval; NOT seek data or details of users beyond what the service requires.
<b>Insurance &amp; fee</b>	Maintain adequate arrangements, including insurance, to indemnify users for losses from wrongful act, negligence or default. Charge a uniform fee for the same service; disclose the fee structure on its website; give 3 months' notice of any increase; the access fee cannot exceed the submission fee.
<b>Risk management &amp; IT audit</b>	Maintain reliable, recoverable and secure systems; ensure core services during disasters/emergencies via business-continuity plans with disaster-recovery sites; and have its IT framework audited by an external auditor every year, reported to the Governing Board and the Board.
<b>Records, reporting &amp; inspection</b>	Maintain a Preservation Policy (form, manner & duration); submit an annual report to the Board with the prescribed statistics; publish debt statistics quarterly; and extend full cooperation to Board inspections.



# MASTER QUICK REFERENCE

IP · IPA · IPE · IU — Side-by-Side Snapshot of Key Parameters

Parameter	IP	IPA	IPE	IU
Full Name	Insolvency Professional	Insolvency Professional Agency	IP Entity	Information Utility
Governing Sections	Secs. 206–208	Secs. 199–205	Reg. 12–13 (IP Regs)	Secs. 209–216
Type of Entity	Individual	Company (Sec. 8)	Co./Reg. PF/LLP	Public Company
Min. Net Worth	—	₹10 Crore	₹1 Crore	₹50 Crore
Min. Paid-up Capital	—	₹5 Crore	—	—
Registration Form	Form A	Form A	Form C	Form A
Registration Fee	₹20,000	₹10 Lakh	₹50,000	₹10 Lakh
Certificate Form	Form B	Form B	Form D	Form B
Certificate Validity	5 years	5 years	Ongoing	5 years
Renewal Fee	₹20,000 every 5 yrs	₹5 Lakh	—	₹1 Crore
Annual Fee Basis	1% of professional fee	10% of turnover	1% of turnover	10% of turnover
Annual Fee Form	Form E	—	Form G	—
Annual Fee Due Date	30th April	Within 15 days of FY	30th April	30th April
Interest on delay	12% p.a.	12% p.a.	12% p.a.	12% p.a.
Compliance Certificate	—	—	Form H by 15th Oct	Audited accounts
Change notification	—	—	Form F; ₹2,000; 7 days	15 days if >5% holder exits
Bye-Laws	No	YES (Model Bye-Laws)	No	YES
Bye-Laws amendment	—	75% of Governing Board	—	75% of Governing Board
Max. single shareholding	N/A	5% (exceptions exist)	N/A	10% (exceptions exist)
Non-resident cap	N/A	49% of share capital	N/A	49% of share capital/voting
Independent Dir. req.	N/A	>50% of Board	N/A	>50% of Board
Chairperson	N/A	Must be Independent Dir	N/A	Must be Independent Dir
DC order by	Any Board member	Any Board member	Whole-time member only	Whole-time member only
DC dispose of SCN	Within 6 months	Within 6 months	Within 6 months	Within 6 months
Order effective after	30 days	30 days	30 days	30 days
Appeal to NCLAT within	30 days	30 days	30 days	30 days
Renders insolvency services	YES	NO (only regulates)	YES (via IP directors)	NO (info services only)
AFA mechanism	Must hold valid AFA	Issues/renews AFA	Each IP partner needs AFA	N/A
IBC Code section — LIE	Sec. 206	N/A	N/A (IPs pass LIE)	N/A

Source: IBC 2016 (Amended upto 12-08-2021) | IP Regulations 2016 | IPA Regulations 2016 | Model Bye-Laws Regulations 2016 | IU Regulations 2017 | Exam Charts (July 2025)

# KEY DISTINCTIONS TO REMEMBER

## DC Order — Whole-time Member Only for IPE & IU

For IP and IPA, any Board member can pass a disciplinary order. But for IPE and IU, ONLY a whole-time member of the Board can pass the order — a crucial distinction often tested in exams (IP Regs Reg. 11 vs Reg. 8 IPA Regs).

## Shareholding threshold — 5% for IPA, 10% for IU

No one can directly or indirectly hold more than 5% of paid-up capital of IPA. The equivalent threshold for IU is 10%. Exceptions allow stock exchanges, banks, FIs etc. to hold up to 15% (IPA) or 25% (IU).

## Independent Director must be Chairperson — IPA & IU

Both IPA and IU require that the Chairperson of the Governing Board must be an independent director. No equivalent requirement for IP (individual) or IPE.

## Registration fee: IP ₹20K | IPE ₹50K | IPA ₹10L | IU ₹10L

IP and IPE registration fees are relatively modest (₹20K and ₹50K). IPA and IU both charge ₹10 Lakh — reflecting their regulatory and infrastructure roles. IU renewal fee is ₹1 Crore (payable within 15 days of issue of certificate).

## AFA — only IP & IPE need it; IPA issues it

An IP must hold a valid AFA (issued by IPA) to take new assignments after 31 Dec 2019. An IPE's partners/directors must each hold AFA. IPA issues, renews, suspends AFA and must inform IBBI within 1 working day of each action.

## Bye-Laws — IPA and IU only; 75% amendment threshold

Only IPA and IU are required to have bye-laws consistent with Board-prescribed model bye-laws. Amendment requires 75% of the Governing Board (3 times votes in favour as against). IP and IPE do not have separate bye-laws.

## IPE Net Worth ₹1 Cr; IPA Net Worth ₹10 Cr; IU ₹50 Cr

IPE has the lowest bar (₹1 Crore net worth). IPA needs ₹10 Crore net worth + ₹5 Crore paid-up capital. IU has the highest threshold at ₹50 Crore net worth — reflecting its critical information infrastructure role.

## Annual fee: IP & IPE = 1% of fees/t/o | IPA & IU = 10% of t/o

IPs and IPEs pay 1% of professional fees/turnover annually to the Board. IPAs and IUs pay 10% of turnover — a significantly higher contribution rate, reflecting their larger organisational scale.