

IBC News: To strengthen the process of Insolvency Resolution and to ensure proper implementation of the provisions of Insolvency and Bankruptcy Code, 2016 (IBC), the Government has made six amendments to the IBC. Further, Insolvency and Bankruptcy Board of India has made more than 100 amendments in regulations since inception of IBC based on the needs of the market to streamline processes and maximize value of the assets of the Corporate Debtor.

IBC provides a consolidated framework for reorganization, insolvency resolution and liquidation of corporate persons, except Financial Service Providers (FSPs). However, Section 227 of the IBC enables the Central Government to notify FSPs and categories of FSPs for the purpose of insolvency and liquidation proceedings.

Accordingly, vide notification dated 18th November 2019, the Central Government, in consultation with the Reserve Bank of India (RBI), notified that insolvency resolution and liquidation proceedings of Non-Banking Finance Companies (which include housing finance companies) with asset size of Rs.500 crore or more, as per last audited balance sheet, shall be undertaken in accordance with the provisions of the Code read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

The Minister of State in the Ministry of Corporate Affairs and Minister of State in the Ministry of Road Transport and Highways, Shri Harsh Malhotra stated this in a written reply in Rajya Sabha today.

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