

Insolvency and Bankruptcy Board of India (Continuing Professional Education for Insolvency Professionals) Guidelines, 2019

(6th August, 2019)

1. Short title and commencement.

- (a) These guidelines may be called the Insolvency and Bankruptcy Board of India (Continuing Professional Education for Insolvency Professionals) Guidelines, 2019.
- (b) These Guidelines have been prepared in consultation with all the three Insolvency Professional Agencies (IPAs).
- (c) These Guidelines shall come into force with effect from 1st January, 2020.
- (d) These Guidelines are issued in exercise of the powers under Section 196(1)(aa) of the Insolvency and Bankruptcy Code, 2016 read with regulation 7(2)(ba) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

2. Background.

- (a) Insolvency Professionals (IPs) constitute a key institution of the insolvency regime and market economy. An IP plays an important role in resolution, liquidation and bankruptcy processes of companies, LLPs, partnership firms, proprietorship firms and individuals in distress. His work affects the lives and livelihood of all stakeholders of the person in distress. He needs an array of abilities to deliver on his statutory duties and obligations in an ever-evolving market environment.
- (b) Section 196(1)(aa) of the Insolvency and Bankruptcy Code, 2016 mandates the Insolvency and Bankruptcy Board of India (Board) to promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions. It has been endeavour of the Board to make available a cadre of competent and accountable IPs matching the dynamic market realities.
- (c) Accordingly, regulation 7(2)(ba) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 mandates that the registration of an IP is subject to the condition that he shall undergo continuing professional education (CPE) as may be required by the Board. Clause 10 under the First Schedule to the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 provides that an IP must maintain and upgrade his professional knowledge and skills to render competent professional service.

3. Objective.

- (a) Continuing professional education is a planned and systematic attempt to introduce, review, or alter the competencies and thereby improve the performance of professionals. It meets post-registration professional development needs of IP.

(b) An IP needs to continuously upgrade himself through CPE to remain relevant and provide value added services. He needs to attend today's work with today's technology. An anecdote from an unknown source illustrates the objective. There was a woodcutter who had been cutting wood for years. But he never got a raise. Others who joined later to him were getting raises every year even though some of them took rest in between, and some others took off for weeks. He met his boss with resentment. The boss replied: "*You are cutting the same number of trees today you were cutting five years ago. How can we give a raise?*" The woodcutter went back, worked harder, put in longer hours, but not much improvement. He consulted his colleagues and learnt that they took five minutes break each time after cutting a tree. Still they cut more trees. How? They use those five minutes to sharpen the axe. Some of them use tools sharper than axe. The woodcutter realised his folly that he had never sharpened his axe for years, nor tried to use sharper tools. He sharpened the axe and the productivity improved; he got a raise. He learnt to use mechanised tools and productivity improved further. He got further raise.

4. Application.

- (a) An IP shall undertake CPE in compliance with these Guidelines to keep his registration valid.
- (b) Authorisation for assignment shall not be issued or renewed to an IP who fails to comply with these Guidelines.
- (c) These Guidelines shall not apply to IPs who have completed the age of 65 years.

Illustration

An IP attains the age of 65 years on 24th November, 2026. He may not undertake CPE for the calendar year 2026.

5. CPE Requirements.

- (a) An IP shall undertake a minimum of 10 credit hours of CPE each calendar year and a minimum of 60 credit hours of CPE in each rolling block of three calendar years:

Provided that an IP is not required to undertake any CPE in the calendar year in which he is registered.

Illustration

An IP registered on 30th June, 2019 shall undertake CPE for at least-

- (i) 10 credit hours in each calendar year, namely, 2020, 2021, 2022, 2023 and so on; and
- (ii) 60 credit hours in each rolling block of three calendar years, namely, 2020-2022, 2021-2023, 2022-2024 and so on.

Clarification 1

An IP shall undertake CPE even when his registration is suspended, or he has ceased to have an authorisation for assignment.

Clarification 2

The minimum CPE of 10 hours may be exempted by the IPA for a year on application by the IP, provided that the IP undertakes a minimum of 60 hours in every rolling block of three years.

(b) An IP, whose registration is suspended or who ceased to have an authorisation for assignment, shall undertake the backlog of CPE hours before he seeks revival of registration or authorisation for assignment, as the case may be, if he has not undertaken CPE in accordance with (a) above.

Illustration

An IP ceased to have an authorisation for assignment on 15th January, 2020. He seeks authorisation for assignment on 16th November, 2027. He has not undertaken any CPE during 2020-2027. He shall undertake CPE for such hours as he would have done had he continued to have authorisation for assignment.

(c) Within seven days of completion of a learning activity, an IP shall submit such details of learning activity and credit hours earned by him, as may be required by his IPA.

(d) The IPA shall take note of the credit hours earned by an IP, on being satisfied that the IP has earned credit hours in accordance with the Guidelines.

6. Learning activities.

(a) An IP may earn credit hours from the learning activities in two ways:

- (i) By participation in learning activities offered by the Board, an IPA, a Registered Valuer Organisation, a statutory professional institute, a university or any other entity, as may be approved by the Board from time to time; or
- (ii) By publishing articles / delivering lectures, in the areas relevant for IPs, an indicative list of which is at Schedule to these Guidelines.

(c) The following is an indicative format of learning activities in areas relevant for IPs and credit hours thereof:

Sl. No.	Learning Activity in the areas relevant for IPs	Credit hours
1	Workshops, Conferences, Seminars, Training Programmes, Refresher Programmes, Certificate Courses, Conventions and Symposia and the like	Half day: Two hours Full day: Four hours
2	Acting as faculty in any of the activities in Sl. No. 1	Equivalent to the duration of the activity
3	Publication of article in any national newspaper	Four hours

4	Publication of article in a journal of the Board, an IPA, a RVO, a Professional Institute, or a referred national or international journal	Eight hours
5	Publication of a Book	Thirty hours in the year of publication
6	Completing a two-year Post-Graduation Course	Twenty hours in the year of completion
7	Completing Ph. D.	Forty hours in the year of conferment of Ph.D.
8	Pass in Limited Insolvency Examination	Forty hours in the year of passing
9	Pass in Valuation Examination of an asset Class	Twenty hours in the year of passing

7. Monitoring.

- (a) The IPA shall monitor and maintain records of CPE in respect of its professional members in a manner accessible to IPs and the Board.
- (b) The record of CPE shall include the details of learning activity undertaken by an IP, year wise and rolling block wise, including dates of each learning activity, the area of such activity, the credit hours earned for such activity, etc.
- (c) The IPA shall submit an exception report every quarter to the Board and make available detailed records to the Board when called upon to do so.
- (d) The Board shall make random check to verify the quality of learning activity and records of the IPAs in respect of CPE of their professional members.

8. Non-compliance.

An IP, who fails to earn the credit hours in accordance with these Guidelines, shall be deemed to have contravened provisions of regulation 7(2)(ba) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 read with clause 10 of the Code of Conduct under the First Schedule thereof.

9. Review.

The Board may review these Guidelines from time to time, in consultation with the IPAs.

10. Abbreviations

Board: Insolvency and bankruptcy Board of India

CPE: Continuing Professional Education

IP: Insolvency Professional

IPAs: Insolvency Professional Agency

Schedule

Areas Relevant for Insolvency Professionals for the Purpose of Continuing Professional Education

Sl. No. Particulars

General

Laws of Insolvency and Bankruptcy

Emerging Jurisprudence

UNCITRAL Legislative Guide (Part I, II, III and IV)

Interface with Company Law

Corporate Affairs and Corporate Governance

Interface with Tax Laws

1 Interface with Foreign Exchange Laws

Interface with Securities Laws

Interface with Property Laws

Interface with Labour Law

Economics of Insolvency and Bankruptcy

UNCITRAL Legislative Guide

Financial Markets

Indian Constitution

Insolvency Professionals

Appearance before Adjudicating Authority

Agreements and Contracts

Companies Act, 2013

Finance for Insolvency Professionals

Statistics for Insolvency Professionals

Data Management for Insolvency Professionals

Using Services of Information Utilities

Record Keeping and Maintenance

Management and Leadership for Insolvency Professionals

Mediation, Conciliation, and Negotiation for Insolvency Professionals

Artificial Intelligence for Insolvency Professionals

2 Valuation for Insolvency Professionals

Forensic Audit for Insolvency Professionals

Avoidance Transactions for Insolvency Professionals

Hiring and Supervising other Professionals

Conflict of Interests

Remuneration for Insolvency Professionals

Code of Conduct for Insolvency Professionals

Transparency and disclosures to IBBI, IPA, and Stakeholders

Risk Management by Insolvency Professionals

Inspection and Investigation by IBBI and IPA

Disciplinary Proceeding by IBBI and IPA

Grievance Redressal

Best Practices

Corporate Insolvency Resolution Process

CIRP Regulations

Taking over the Corporate Debtor

Moratorium

Dealing Committee of Creditors and CoC Meetings, Voting

Interim Finance

Running the CD as a Going Concern

Hostile Situations: Handling Crowds, Unlawful Assemblies, Law and Order Problems, Dealing with Non-cooperation

Information Memorandum

Administering Section 29A

3 Compliance with Applicable Laws under Section 30(2)(2) of the Code

Form H Certificate

Fast Track CIRP

Group Insolvency

Cross Border Insolvency

Pre-packs

Balancing Interests of Stakeholders

Treatment of MSME

Post Resolution Plan Management

Ethics, Integrity, Fairness and Equity

Best Practices

Liquidation Process

Liquidation Process Regulations

Voluntary Liquidation Regulations

Liquidation Estate

4 Sale under Regulation 32 of Liquidation Regulations

Sale as a Going Concern

Moratorium

Managing Stakeholders

Best Practices

Individual Insolvency

Fresh Start Process

Individual Insolvency Resolution Process

5 Bankruptcy Process

Insolvency and Bankruptcy of Personal Guarantors

Micro-finance and Indebtedness

Best Practices

6 Any other topic to be added or removed from the list depending on the evolving environment