

The Insolvency and Bankruptcy Code, 2016

PART III

Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms

CHAPTER III

Bankruptcy Order for Individuals and Partnership Firms

Section 96: Interim-moratorium:

*96. (1) When an application is filed under section 94 or section 95—

(a) an interim-moratorium shall commence on the date of the application in relation to all the debts and shall cease to have effect on the date of admission of such application; and

(b) during the interim-moratorium period—

(i) any legal action or proceeding pending in respect of any debt shall be deemed to have been stayed; and

(ii) the creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt.

(2) Where the application has been made in relation to a firm, the interim-moratorium under sub-section (1) shall operate against all the partners of the firm as on the date of the application.

(3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

Notifications & Circulars

*Only in so far as they relate to personal guarantors to corporate debtors, shall [come into force](#) w.e.f. 01.12.2019.