

Suspension of fresh initiation of insolvency proceedings up to one year

[Dated 17.05.2020]

In relation to Insolvency & Bankruptcy Code(IBC) related matters, Smt. Nirmala Sitharaman said that debts related to COVID-19 shall be excluded from defaults under IBC.

“Further enhancement of ease of doing business through IBC related measures,” says Finance Minister Nirmala Sitharaman.

- The minimum threshold to initiate insolvency proceedings raised to Rs 1 crore
- Special insolvency framework for MSMEs will be notified under [Section240A](#) of the code
- Suspension of fresh initiation of insolvency proceedings up to one year depending upon the pandemic situation
- Empowering Central govt to exclude Covid-19 related debt from the definition of default under the code

Source: News18

[Read section: 240A here.](#)

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