
The Insolvency and Bankruptcy Code, 2016

IBBI (Voluntary Liquidation Process) Regulations, 2017

Chapter - III Appointment and Remuneration of Liquidator

Regulation 6: Eligibility for appointment as liquidator.

6. (1) An insolvency professional shall be eligible to be appointed as a liquidator if he, and every partner or director of the insolvency professional entity of which he is a partner or director is independent of the corporate person:

Explanation: A person shall be considered independent of the corporate person, if he-

(a) is eligible to be appointed as an independent director on the board of the corporate person under [section 149](#) of the Companies Act, 2013 (18 of 2013), where the corporate person is a company;

(b) is not a related party of the corporate person; or

(c) has not been an employee or proprietor or a partner-

(i) of a firm of auditors or ¹[secretarial auditors] or cost auditors of the corporate person; or

(ii) of a legal or a consulting firm, that has or had any transaction with the corporate person contributing ten per cent or more of the gross turnover of such firm,

at any time in the last three years.

(2) An insolvency professional shall not be eligible to be appointed as a liquidator if he, or the insolvency professional entity of which he is a partner or director is under a restraint order of the Board.

(3) A liquidator shall disclose the existence of any pecuniary or personal relationship with the concerned corporate person or any of its stakeholders as soon as he becomes aware of it, to the Board and the Registrar.

(4) An insolvency professional shall not continue as a liquidator if the insolvency professional entity of which he is a director or partner, or any other partner or director of such insolvency professional entity represents any other stakeholder in the same liquidation.

References

1. Substituted by IBBI (Voluntary Liquidation Process) (Amendment) Regulations, 2019 vide Notification No. IBBI/2019-20 /GN/REG039 dated 15th January, 2019, w.e.f. 15.01.2019, for the words "company secretaries".

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