



IBBI announces relief for timelines of activities in relation to insolvency resolution process

The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("**CIRP Regulations**") sets out timelines with respect to different activities/steps which need to be undertaken in relation to an insolvency resolution process. However, due to lockdown imposed by the Central Government it has been difficult to meet these timelines.

Accordingly, the Insolvency and Bankruptcy Board of India ("**IBBI**") has issued a notification to amend the CIRP Regulations. Pursuant to the notification a new regulation 40C has been inserted in CIRP Regulations. As per this regulation 40C, the period of lockdown shall not be counted for the purpose of timeline of any activity that could not be completed in relation to an insolvency process due to the lockdown.

However, the relaxation in timelines, pursuant to regulation 40C, is not to be construed as an extension of the overall time limit to complete the insolvency resolution process in terms of section 12 of the Insolvency and Bankruptcy Code, 2016 ("**Code**"). The IBBI has clarified that the relaxation would be subject to the overall time-limit provided in the Code.

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