

Insolvency and Bankruptcy Board of India signs a Memorandum of Understanding with the Securities and Exchange Board of India

1. The Insolvency and Bankruptcy Board of India (IBBI) signed a Memorandum of Understanding (MoU) today with the Securities and Exchange Board of India (SEBI). The MoU was signed by Mr. Anand Baiwar, Executive Director of the SEBI and Mr. Ritesh Kavdia, Executive Director of the IBBI at Mumbai.
2. The IBBI is established under the Insolvency and Bankruptcy Code, 2016 (Code) to promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions, in furtherance of the purposes of the Code. It exercises regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies and Information Utilities. It writes and enforces rules for processes, namely, corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy under the Code.
3. The SEBI is established under the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and promote the development of, and to regulate, the securities market, including debt market, and for matters connected therewith or incidental thereto. It administers the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996, and certain provisions of the Companies Act, 2013.
4. Both the IBBI and the SEBI are interested in the effective implementation of the Code and its allied rules and regulations, which have redefined the debt-equity relationship and aims to promote entrepreneurship and debt market. They have agreed under the MoU to assist and co-operate with each other for the effective implementation of the Code, subject to limitations imposed by the applicable laws.
5. The MoU provides for: (a) sharing of information between the two parties, subject to the limitations imposed by the applicable laws; (b) sharing of resources available with each other to the extent feasible and legally permissible; (c) periodic meetings to discuss matters of mutual interest, including regulatory requirements that impact each party's responsibilities, enforcement cases, research and data analysis, information technology and data sharing, or any other matter that the parties believe would be of interest to each other in fulfilling their respective statutory obligations; (d) cross-training of staff in order to enhance each party's understanding of the other's mission for effective utilisation of collective resources; (e) capacity building of insolvency professionals and financial creditors; (f) joint efforts towards enhancing the level of awareness among financial creditors about the importance and necessity of swift insolvency

resolution process of various types of borrowers in distress under the provisions of the Code, etc.

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA SIGNS A COOPERATION AGREEMENT WITH THE INTERNATIONAL FINANCE CORPORATION

1. The Insolvency and Bankruptcy Board of India (IBBI) signed a Cooperation Agreement today with the International Finance Corporation (IFC), a member of the World Bank Group (WBG). The agreement was signed by Mr. K. R. Saji Kumar, Executive Director, IBBI and Mr. Jun Zhang, Country Manager, IFC India, in the august presence of Mr. Injeti Srinivas, Secretary, Ministry of Corporate Affairs, Dr. M. S. Sahoo, Chairperson, IBBI, Mr. Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs, and other distinguished officers of the Ministry of Corporate Affairs and IBBI.
2. The Insolvency and Bankruptcy Code, 2016 (Code) provides for reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of the value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders and, for this purpose, has established an institutional infrastructure comprising of Adjudicating Authorities, the IBBI, insolvency professionals, insolvency professional agencies and information utilities. The IBBI exercises regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies and Information Utilities. It writes and enforces rules for processes, namely, corporate insolvency resolution, corporate

liquidation, individual insolvency resolution and individual bankruptcy under the Code.

3. The IBBI is interested in the effective implementation of the Code and its allied rules and regulations. The IFC is interested to assist the IBBI to further build the capacity of the insolvency professionals, and insolvency professional agencies for the purposes of the Code. The Cooperation Agreement envisages technical assistance upto 30th June, 2021 by the IFC to IBBI in this regard. It inter alia covers assistance in (a) Workshops and Training for Insolvency Professionals and Officers of the IBBI; (b) Train the Trainers for Workshops for Insolvency Professionals, (c) Development of National Insolvency Programme, (d) Insolvency and valuation examinations.

Forthcoming changes in E-Way Bill System

1. **Auto calculation of route distance based on PIN code for generation of EWB:** E-waybill system is being enabled to auto calculate route distance for movement of goods, based on the Postal PIN codes of source and destination locations, given by the user. The e-waybill system will calculate and display the actual distance between the supplier and recipient addresses. User is allowed to edit the distance shown, but it will be limited to 10% more than the displayed distance. In case, source PIN and destination PIN are same, the user can enter up to a maximum of 100 kms only. If PIN entered is incorrect, the system would alert the user as INVALID PIN CODE, but he can continue entering the distance. Such e-waybills having INVALID PIN codes will be flagged for review to the departmental officers.

2. Blocking of generation of multiple E-Way Bills on one Invoice/document: It has been decided not to allow generation of multiple e-way bills based on one invoice, by any party – consignor, consignee or transporter. That is, once E-way Bill is generated with an invoice number, then none of the parties - consignor, consignee or transporter, can generate another E-Way Bill with the same invoice number.

3. Extension of E-Way Bill in case Consignment is in Transit: The transporters have represented to incorporate provision to extend E-way Bill validity, when goods are in transit. Transit means that goods could be on Road or in a Warehouse. During the extension of validity of the e-way bill, the user will be prompted to answer whether the Consignment is in Transit or in Movement. On selection of **In Transit**, the address details of the transit place need to be provided by user. On selection of **In Movement** the system will prompt user to enter Place and Vehicle details. For calculation of distance for movement and validity date of an E-way Bill, in both these scenarios, the destination PIN will be considered from the PART-A of the E-way Bill.

4. Blocking of Interstate Transactions for Composition dealers: As per the GST Act, the composition tax payers are not allowed to do Interstate supply. Hence user will not be allowed to generate e-way bill for inter-state

movement of goods, if the supplier is a composition tax payer. The composition tax payers will not be allowed to enter any taxes under CGST or SGST for intrastate transactions. Also document type of Tax Invoice will not be enabled for them.

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