

Insolvency and Bankruptcy Board of India

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Press Release

Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017

The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2024 ('Amendment Regulations') on 31st January, 2024.

2. To streamline the voluntary liquidation process and facilitate the distribution of unclaimed proceeds to the stakeholders before the dissolution of the corporate person, the amendments in the Voluntary Liquidation Regulations make the following key modifications:

- a) The directors of the corporate person while initiating the voluntary liquidation process shall make disclosure about pending proceedings or assessments before statutory authorities, and pending litigations and shall also declare that sufficient provision has been made to meet the likely obligations arising, if any, on account of the pending proceedings.
- b) If the liquidator fails to liquidate the corporate person within stipulated period of 90 days or 270 days as the case may be, he shall hold a meeting of contributories of the corporate person and present a status report within fifteen days from the end of such period and thereafter at the end of every such succeeding period, specifying the reasons for not completing the process within the stipulated time period and apprise the meeting about additional time required for completing the process.
- c) In the period after submission of final report but before a corporate person is dissolved, stakeholders claiming entitlement to funds in the Corporate Voluntary Liquidation Account can apply to the liquidator for withdrawal. Upon receiving such a request, the liquidator shall verify the claim and request the Board to release the funds to him/her for onward distribution.

3. The Amendment Regulations are effective from 31st January, 2024. These are available at www.mca.gov.in and www.ibbi.gov.in.
