

IBBI tightens disclosure norms for Avoidance Transactions in CIRP Regulations

The Insolvency and Bankruptcy Board of India (IBBI), in exercise of its powers under the Insolvency and Bankruptcy Code, 2016, has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025. The amendment, effective from the date of publication in the Official Gazette, introduces key changes to enhance transparency regarding avoidance transactions.

The key highlights of this amendment are as follows:

As per Regulation 36, the information memorandum must now include updates and details of all identified avoidance transactions or fraudulent/wrongful trading, along with subsequent filings before the Adjudicating Authority.

As per Regulation 38, a resolution plan cannot assign such transactions unless they were disclosed in the information memorandum and intimated to all prospective resolution applicants before the plan submission deadline.

Link - <https://ibbi.gov.in/uploads/legalframework/c6396cff47bd23b1b6a5445da6e905cc.pdf>