

IBBI issues new framework for appointing Insolvency Professionals, effective January 2026

The Insolvency and Bankruptcy Board of India (IBBI) has issued a new set of guidelines aimed at streamlining and accelerating the appointment process for Insolvency Professionals (IPs), which will come into force from January 1, 2026. These guidelines mark a significant administrative overhaul intended to reduce delays in assigning Resolution Professionals, Liquidators, and Bankruptcy Trustees in insolvency cases across the country.

According to the guidelines, only professionals with a completely clean regulatory record and a valid Authorisation for Assignment (AFA) throughout the entire empanelment period will be eligible for inclusion. This means that Insolvency Professionals who have any pending disciplinary proceedings before the IBBI or their respective Insolvency Professional Agencies (IPAs), or those convicted by any court within the last three years, will not be considered for empanelment. The Board has clarified that the purpose of this requirement is to ensure that only credible and compliant professionals remain eligible for appointments.

To be included in the panel, every Insolvency Professional must file an Expression of Interest (EOI), which, under the new guidelines, will be treated as an unconditional consent to accept any assignment issued by the Adjudicating Authority. Once empanelled, an IP is expected to honour assignments without refusal. The guidelines specifically state that refusal to act as an Interim Resolution Professional (IRP), Resolution Professional (RP), Liquidator or Bankruptcy Trustee (BT) without sufficient justification will result in removal from the panel for a period of six months. This measure is intended to curb unnecessary refusals that often contribute to delays in commencing insolvency proceedings.

The IBBI will prepare the panel by ranking eligible Insolvency Professionals based on the volume of insolvency assignments they are already handling. Professionals with fewer ongoing assignments will be placed higher on the panel to ensure a fair distribution of workload. In circumstances where two or more professionals achieve the same score under this mechanism, seniority based on their registration date with the Board will determine their order of preference.

The empanelment will be organised on a zone-wise and bench-wise basis. The allocation will be made according to the registered office of the Insolvency Professional, ensuring alignment with the relevant NCLT or DRT benches. Insolvency Professional Entities, however, will be eligible for appointments from any bench in the country. This distinction recognises the wider operational capacity of professional entities compared to individual professionals.

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