

IBBI makes beneficial ownership disclosure mandatory for Insolvency Resolution Applicants

The **Insolvency and Bankruptcy Board of India (IBBI)** vide its **Gazette F. No. IBBI/2025-26/GN/REG133, dated December 22, 2025**, has made it mandatory for companies bidding to take over insolvent firms to clearly disclose who ultimately owns or controls them, also known as their beneficial owners. This change applies to bidders taking part in the corporate insolvency resolution process.

Under the new regulations, every resolution applicant must submit a beneficial ownership statement along with its resolution plan. This must include the names of all natural persons who ultimately own or exercise control over the applicant. It must also explain the shareholding structure and list any intermediate entities involved. It is also expected of the bidder to specify the countries or jurisdictions in which those entities are based.

The IBBI will notify the exact format for this disclosure through a separate circular. The Bidders must also file an affidavit stating whether they are eligible to claim protection under Section 32A of the Insolvency and Bankruptcy Code.

The affidavit must be filed in the format prescribed by the regulator. These requirements were introduced by adding a new provision to Regulation 38 of the Insolvency Resolution Process for Corporate Persons Regulations, 2016. Regulation 38 prescribes the contents of a resolution plan and provides how it is examined during the insolvency process.

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