

IBBI TO REVAMP GRIEVANCE REDRESSAL MECHANISM

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NEW DELHI : Insolvency and Bankruptcy Board of India (IBBI) is set to revamp the way it deals with the complaints received against insolvency professionals hired by lenders and agencies such as credit information repositories.

The [bankruptcy](#) rule maker has sought public comments by 21 April on a set of draft rules for revamping its grievance redressal mechanism.

A discussion paper released by [IBBI](#) said that its present mechanism of complaint redressal and enforcement action is resulting in delay of enforcement process. Besides, it puts undue burden on the service providers, as they need to submit responses multiple times on a single issue. It is imperative to redesign the framework to make it effective in terms of grievance redressal and efficient in the time taken, IBBI said.

IBBI's wants to revamp the complaint redressal mechanism of information repositories and insolvency resolution professionals to ensure that a transparent process is followed in turning around corporate defaulters under the bankruptcy code. That is vital in the success of the code given that different stake holders have competing interests in the bankruptcy resolution process.

IBBI said that its current grievance redressal mechanism allows any person to file complaints against information utilities like credit information repositories, insolvency professionals and their self-regulators set up by professional institutes the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost Accountants of India. These are known as insolvency professional agencies or IPAs.

IBBI said the enforcement mechanism of IPAs is not yielding as envisaged by the framers of IBC. "Accordingly, there is a need to further develop and strengthen the enforcement mechanism in line with anticipated framework," said IBBI.

"At present, the enforcement mechanism of handling complaint is time consuming and therefore slow. Delays in the enforcement action is detrimental to the interest of stakeholders, leaves the stakeholders unsatisfied, and deprives the other service providers of a chance to observe the contraventions held and actions taken by the Board and learn from mistakes committed by fellow service providers," IBBI said in its discussion paper.

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