GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1020
ANSWERED ON TUESDAY, JULY 28, 2026/ 6 SHRAVANA, 1948 (SAKA)

IMPLEMENTATION OF THE IBC (AMENDMENT) ACT, 2026

1020 **Dr. K. Laxman**:

Will the Minister of Corporate Affairs be pleased to state:

(a) the salient reforms introduced under the Insolvency and Bankruptcy Code (Amendment) Act, 2026 to strengthen the insolvency resolution framework and improve ease of doing business;

(b) the manner in which these reforms are expected to reduce resolution timelines and improve creditor recovery; and

(c) the steps taken to operationalise the provisions relating to group insolvency and cross- border insolvency, including the institutional and regulatory framework envisaged for their effective implementation?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

[SHRI HARSH MALHOTRA]

(a) & (b): The Insolvency and Bankruptcy Code (Amendment) Act, 2026 seeks to improve the operation, enhance effectiveness, clarify intent, and incorporate novel concepts in the Code. The amendments aim to reduce delays, maximise value for all stakeholders, and improve governance of all processes under the Code. Key reforms include introduction of the Creditor-Initiated Insolvency Resolution Process (CIIRP), provisions relating to group insolvency, and a framework for cross-border insolvency proceedings. The CIIRP allows notified financial institutions to trigger insolvency out-of-court for genuine business failures, thereby reducing delays and ensuring quicker stabilisation under creditor oversight, while the provisions for group and cross-border insolvency prevent duplication of proceedings across interconnected companies and jurisdictions, ensuring coordinated resolution, minimising conflicting orders and maximising value recovery together with time-bound approvals. Certain provisions of the Code have been decriminalised with the aim to improve the ease of doing business.

(c): To operationalise the provisions relating to group insolvency and cross-border insolvency, the Insolvency and Bankruptcy Code (Amendment) Act, 2026 empowers the Central Government to prescribe the manner and conditions for administering and conducting cross-border insolvency as well as group insolvency processes.

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