

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 738
ANSWERED ON MONDAY THE 7TH FEBRUARY, 2022
MAGHA 18, 1943 (SAKA)**

CROSS-BORDER INSOLVENCY CASES

QUESTION

738. SHRI SUDHEER GUPTA:

SHRI RAVINDRA KUSHWAHA:

SHRI PRATAPRAO JADHAV:

SHRI NAMA NAGESHWARA RAO:

SHRI RAVI KISHAN:

SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:

SHRI SANJAY SADASHIVRAO MANDLIK:

SHRI SHRIRANG APPA BARNE:

SHRI BIDYUT BARAN MAHATO:

Will the Minister of CORPORATE AFFAIRS

be pleased to state:

- (a) whether the Government has recommended the exclusion of critical financial service providers such as banks and insurance companies from the applicability of cross-border insolvency provisions and if so, the details thereof;**
- (b) whether the Government has floated any fresh draft rules to cater to cross-border insolvency cases;**
- (c) if so, the details thereof along with the aims and objectives thereto;**
- (d) whether the Government has sought any public comments on draft cross-border insolvency framework under IBC and if so, the details thereof;**
- (e) if so, whether the Government has constituted any committee in this regard and if so, the details thereof; and**
- (f) whether the committee has submitted its report to the Government and if so, the details in this regard?**

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a): The Insolvency Law Committee (ILC), which is a Standing Committee constituted by the Government to review the implementation of the Insolvency and Bankruptcy Code, 2016 (IBC), had, in its October, 2018 report, recommended that certain entities may be excluded from applicability of proposed cross-border insolvency provisions under the IBC. The Cross-Border Insolvency Rules/ Regulations Committee (CBIRC), which was constituted in January, 2020 to recommend rules and regulations for cross-border insolvency framework, in its June, 2020 report, recommended that financial service providers and certain other entities as may be notified by the Central Government, may be excluded from the application of cross border insolvency provisions.

(b) to (d): Draft legislative framework to deal with cross-border insolvency matters under the IBC, on the basis of the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency, 1997, was first placed in public domain to invite suggestions from stakeholders in June, 2018. Based on the examination of public comments so received, the ILC made its recommendations in its October, 2018 report suggesting adoption of the UNCITRAL Model Law with certain modifications necessary in the Indian context. Further, certain changes to this framework, based on recommendations of the CBIRC, were placed in public domain to invite comments from stakeholders in November, 2021.

(e) and (f): As stated in (a) above, two Committees have examined the legislative framework to deal with cross border insolvency matters under the IBC. The two reports are available on the website of Ministry of Corporate Affairs and that of the Insolvency and Bankruptcy Board of India.
