

**F.No.17/61/2016(CL-V)-Pt-I
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**5th Floor, 'A' Wing Shastri Bhawan,
Dr. R.P. Road, New Delhi
Dated: 4th March, 2020**

To,

All Regional Directors/ All Registrars of Companies,
All Stakeholders.

Subject:-LLP settlement Scheme, 2020-reg.

Sir,

It has been almost over a decade since LLP Act came into being. The Limited Liability Partnership (LLP) is viewed as an alternative corporate business vehicle that provides the benefits of Limited Liability but allows its members the flexibility of organizing their internal structure as a partnership based on a mutually arrived agreement. Owing to flexibility in its structure and operation, the LLP often become the preferred option for small enterprises.

2. It has come to the notice of Government that a large number of LLPs have defaulted in filing Form (3) viz. LLP Agreement and changes therein and statutory return viz. Form-8- Statement of Account & Solvency (Annual or Interim) and Form-11- Annual Return of LLP. In the event of requisite forms not being filed within prescribed time presently LLPs may file such documents on payment of additional fee for one hundred rupees for every day of such delay under Section 69 of the LLP Act in addition to any fee as is payable for filing of such document or return.

3. A large number of representations were received from various quarters for waiver of fee or condonation of delay and relaxations in additional fee on the ground of excessive financial burden.

4. It is also noted that a large number of LLPs are not filing their due statutory documents (i.e. Information with regard to LLP agreement and changes etc., Notice of Appointment of Partner/ Designate Partner etc. and other Annual filing documents i.e. Statement of Account & Solvency and Annual Returns) in a timely manner with the Registrar. Form 3 is filed for filing Information with regard to LLP agreement and changes, if any made therein and Form-4 is for filing Notice of Appointment of Partner/ Designated Partner, his consent etc. which are required to be filed with the prescribed fee.

5. Due to this, the records available in the electronic registry are not updated and they are not available to the stakeholders for inspection. Further, due to not filing the required documents on time the LLPs and their designated partners are liable for criminal prosecution and the said LLPs cannot be closed till all compliances are completed.

6. As part of Government's constant efforts to promote ease of doing business it has been decided to give a Onetime relaxation in additional fees to the defaulting LLPs to make good their default by filing pending documents and to serve as a compliant LLP in future.

7. The Central Government in exercise of its power u/s 460 of the Companies Act, 2013 (extended to LLPs vide Gazette Notification No. G.S.R. 59(E) Dated 30th January, 2020 u/s 67 (2) of the Limited Liability Partnership Act, 2008) has decided to introduce a scheme namely "LLP Settlement Scheme, 2020", by allowing a One-time condonation of delay in filing statutorily required documents with the Registrar.

8. The details of the scheme are as under:

(i.) This scheme shall come into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020.

(ii.) Definitions: In this scheme, unless the context otherwise requires, -

(a) "Act" means the Limited Liability Partnership Act, 2008;

(b) "LLP" means a LLP as defined in Section 2 (n) of the Limited Liability Partnership Act, 2008;

(c) "defaulting LLP" means a LLP registered under the Limited Liability Partnership Act, 2008 which has made a default in filing of documents on the due date(s) specified under the LLP Act, 2008 and rules made there under;

(iii.) Applicability: - Any "defaulting LLP" is permitted to file belated documents, which were due for filing till 31st October, 2019 in accordance with the provisions of this Scheme:

(iv) Manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme - The defaulting LLPs may themselves avail of the scheme for filing documents which have not been filed or registered in time on payment of additional fee Rs 10/- per day for delay in addition to any fee as is payable for filing of such document or return, provided that such payment of additional fee shall not exceed Rs. 5,000/- per document.

(vi) Immunity from prosecution in respect of document(s) filed under the scheme - The defaulting LLPs, which have filed their pending documents till 13th June 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults.

(vii.) Scheme not to apply to certain documents -

(a.) This Scheme shall not apply to the filing of documents except the following documents:-

(i.) Form-3- Information with regard to limited liability partnership agreement and changes, if any, made therein;

(ii.) Form-4- Notice of appointment, cessation, change in name/ address/ designation of a designated partner or partner and consent to become a partner/ designated partner;

(iii.) Form-8- Statement of Account & Solvency (Annual or Interim);


(iv.) Form-11- Annual Return of Limited Liability Partnership (LLP).

(b.) This Scheme shall not apply to LLPs which has made an application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.

9. On the conclusion of the Scheme, the Registrar shall take necessary action under the LLP Act, 2008 against the LLPs which have not availed this Scheme and are in default in filing of documents as required under the provisions of LLP Act, 2008 in a timely manner.

10. This issues with the approval of the competent authority.

Yours faithfully,



(Chandan Kumar)
Deputy Director (Policy)

Copy to:

- (i) E-Governance Section and web contents Officer to place this circular on the Ministry website, and;
- (ii) Guard File.

F.No. 17/61/2016-CL-V-Pt-I

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi,

Dated: 30.03.2020

To
All Regional Director,
All Registrars of Companies,
All Stakeholders.

Subject: LLP Settlement Scheme, 2020 -Modification- reg.

Sir,

In continuation to Ministry's General Circular No.06/2020 dated 04.03.2020 and in order to support and enable Limited Liability Partnerships (LLPs) registered in India to focus on taking necessary measures to address the COVID-19 threat and to reduce their compliance burden, certain modifications to the said Circular have been decided to be implemented by this Ministry, with effect from 01.04.2020.

2. Modification in Para no. 8 of the said Circular dated 04.03.2020, with effect from 01.04.2020

- (a) Title of the para shall be read as "**The details of the original scheme are as under:**"
- (b). In sub-paras (i) and (vi), for the words, letters and figures, "13th June, 2020", the words, letters and figures, "31st March, 2020" shall be substituted.

3. Insertion of para 8A after para 8 of the said Circular dated 04.03.2020, with effect from 01.04.2020

The following para shall be inserted after para 8, namely:-

"8A. The details of the scheme as modified, are as under:

- (i) The scheme shall come into force with effect from 1st April, 2020 and shall remain in force upto 30th September, 2020.

(ii) **Definitions:-** In this scheme, unless the context otherwise requires, -

(a) "Act" means the Limited Liability Partnership Act, 2008;

(b) "LLP" means a LLP as defined in Section 2 (n) of the Limited Liability Partnership Act, 2008;

(c) "defaulting LLP" means a LLP registered under the Limited Liability Partnership Act, 2008 which has made a default in filing of documents on the due date(s) specified under the LLP Act, 2008 and rules made there under;

(d) "belated documents" means all documents or forms which are required to be filed in the MCA-21 registry under the provisions of LLP Act, 2008 and the rules made thereunder

(iii) **Applicability:-** Any "defaulting LLP" is permitted to file belated documents, which were due for filing till **31st August, 2020** in accordance with the provisions of this Scheme.

(iv) **Manner of payment of fee on filing of belated documents for seeking immunity under the Scheme:-** The defaulting LLPs may themselves avail this scheme for filing documents which have not been filed or registered in time on the payment of fee as payable for filing of such document or return: Provided that no additional fees shall be payable for filing any belated documents under this scheme.

(v) **Immunity from prosecution in respect of document(s) filed under the scheme:-** The defaulting LLPs, which have filed their belated documents till 30th September, 2020 and made good the default, shall not be subjected to prosecution by the Registrar for such defaults.

(vi) **The Scheme not to apply:-** This Scheme shall not apply to LLPs which have made applications in Form 24 to the Registrar, for striking off their name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009."

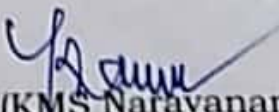
4. Modification in Para no. 9 of the said Circular dated 04.03.2020, with effect from 01.04.2020

(a) After the words "conclusion of the Scheme", the words, letters and figures "after 30th September, 2020" shall be inserted.

5. The other terms and conditions of the said circular shall remain unchanged.

6. This issues with the approval of the competent authority.

Yours faithfully,


(KMS Narayanan)

Assistant Director (policy)

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