

LLP settlement Scheme, 2020 launched ; Shall allow a One-time condonation of delay in filing statutorily required documents with the Registrar

Scheme shall come into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020

Posted On: 04 MAR 2020 1:11PM by PIB Delhi

It has been observed that due to applicability of additional fee on late filing, which in case of inordinate delay could actually become a financial burden, a large number of Limited Liability Partnerships (LLPs) have remained non-compliant, mainly on account of their inability to pay late fees for the cumulative period of delay.

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

Accordingly, the Central Government 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.

LLPs, that wish to avail themselves of the scheme, may file the pending documents/Forms and make good the defaults, to gain immunity from prosecutions for such defaults.

The Scheme shall come into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020. It would be applicable to a "defaulting LLP" for filing overdue documents, which were due for filing till 31st October, 2019 on a payment of a nominal additional fee of Rs 10/- per day for the period of delay, in addition to any fee as is payable for filing of such document or return, subject to a maximum amount of Rs. 5,000/- as additional fee per document.

The Scheme shall apply to the filing of the following documents:

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

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

The Scheme is being introduced in pursuance of the Government's objective of providing greater Ease of Living to the citizens of the country and is expected to provide a significant relief and a window of opportunity for LLPs to abide by the Law & conduct business accordingly.

RM/KMN

(Release ID: 1605084)