



Ministry of Corporate Affairs launches LLP Settlement Scheme, 2020: Shall allow a One-Time Condonation of Delay in Filing Statutorily Required Documents with Registrar.

The Ministry of Corporate Affairs (MCA) has launched the Limited Liability Partnership LLP Settlement Scheme, 2020.

The move is meant to make life easier for businesses who have been facing problems due to non-filing of returns.

The Central Government in exercise of its power 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.

The details of the scheme are as under:

- **What's the Scheme?**

As part of Government constant efforts to promote ease of doing business, the government has decided to give a one-time relaxation in additional fee to the

defaulting Limited Liability Partnerships to make good their default by filing pending documents and to serve as a compliant LLP in future.

- **Period:** A defaulted LLP can take advantage of this scheme from 16th March 2020 to 13th June 2020.
- **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.

The Scheme shall apply to the filing of the following forms only:

- 1) **Form-3** (Information with regard to LLP agreement and changes, made therein)
- 2) **Form-4** (Notice of appointment, cessation & change of a designated partner or partner and consent to become a partner/designated partner).

3) **Form-8** (Statement of Account & Solvency (Annual or Interim).

4) **Form-11** (Annual Return of LLP).

- **Payment of fees and additional fee on filing belated document:** The defaulting LLPs may file documents which have not been filed or registered in time on payment of additional fee Rs 10/- per day (as against Rs 100 per day with no maximum cap) 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.
- **Immunity from prosecution in respect filing 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.
- 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.

[Detailed circular of MCA can be found at the following link.](#)

Sources: MCA circular dated 04.03.2020

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