



Revised Frequently Asked Questions
on
LLP Settlement Scheme, 2020
issued by the
Ministry of Corporate Affairs
on
4th March, 2020 and modified on 30th March, 2020



Corporate Laws & Corporate Governance Committee
The Institute Of Chartered Accountants Of India
(Set up under an Act of Parliament)



Revised Frequently Asked Questions on LLP Settlement Scheme, 2020 issued by the Ministry of Corporate Affairs, Government of India on 4th March, 2020 and modified as on 30th March, 2020

The Ministry of Corporate Affairs has provided a one-time opportunity to the LLPs to make good their default by filing pending documents and to serve as a compliant LLP in future by introducing LLP Settlement Scheme, 2020 vide General Circular No 06/2020 dated 4th March, 2020 which was applicable from 16th March, 2020 to 31st March, 2020.

In continuation of the above Circular dated 4th March, 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 the compliance burden, certain modifications to the above Circular have been made on 30th March, 2020 and it has been decided to be implemented w.e.f 1st April, 2020 to 30th September, 2020.

There are two LLP Settlement Schemes

1. Original Scheme launched on 4th March, 2020 - Applicable from 16th March, 2020 to 31st March, 2020 (both inclusive)
2. Scheme launched on 30th March, 2020 - Applicable from 1st April, 2020 to 30th September, 2020 (both inclusive)

I. Frequently Asked Questions on the Original Scheme launched on 4th March, 2020 which is applicable from 16th March, 2020 to 31st March, 2020 (both inclusive)

Q. 1. What is LLP Settlement Scheme, 2020?

- A. 1.** "LLP Settlement Scheme, 2020" is a scheme to give a Onetime relaxation in additional fees to the defaulting LLPs to make good their default by filing pending documents viz.



Form Nos 3, 4, 8 and 11 and to serve as a compliant LLP in future. Refer General Circular No 13/2020 available at the link –

http://www.mca.gov.in/Ministry/pdf/GeneralCircular06_04032020.pdf

Q. 2. What is the objective of this Scheme?

A. 2. The Ministry of Corporate Affairs, as part of Government's constant efforts to promote ease of doing business, 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.

Q. 3. Whether this Scheme is permanent?

A. 3. No. It is one time relaxation, 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 certain pending documents and to serve as a compliant LLP in future.

Q. 4. What is the time period of the Scheme?

A. 4. The Scheme shall come into force on the 16th March, 2020 and shall remain effective up to 31st March, 2020 (both days inclusive).

Q. 5. What is defaulting LLP as per the Scheme?

A. 5. "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.



Q. 6. Whether an LLP is required to file an application to the Registrar to avail the Scheme?

A. 6. No, 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 and statutory fee.

Q. 7. What shall be the manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme?

A. 7. Under the scheme, for the belated documents, [the LLP](#) shall pay

- Statutory filing fees as prescribed under [the LLP](#) Act and rules made there under along with
- an additional fee of Rs 10 per day, provided that such payment of additional fee shall not exceed Rs. 5,000/- per document.

Q. 8. Whether additional fee of Rs. 10 per day is for all forms in aggregate or individually?

A. 8. Additional fee of Rs 10 per day is payable per document and not in aggregate. Thus, if there is there is delay of 300 days for one form and 330 days for another form, then for the form where delay is 300 days, additional fee will be Rs. 3,000 and for another form where delay is for 330 days, additional fee will be Rs. 3,300.

Q. 9. Whether cap of Rs. 5,000/- on additional fee is for all forms in aggregate or individually?

A. 9. Cap on additional fee of Rs 5,000 is applicable per document and not in aggregate. Thus, if there is there is delay of 900 days, then additional fee for the form at the rate of Rs. 10 per day works out to Rs. 9,000 which is more than Rs. 5,000 and therefore additional fee will be Rs. 5,000 for the form.



Q. 10. On which filing the Scheme shall be applicable?

A. 10. Scheme shall be applicable only on filing of 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-S; Statement of Account & Solvency (Annual or Interim);
- iv. Form-11- Annual Return of Limited Liability Partnership (LLP).

Q. 11. The Scheme shall be applicable for delay in submission of any form applicable to LLP?

A. 11. No. The Scheme is not applicable to any form other than Form No. 3, Form No. 4, Form No. 8 and Form No. 11.

Q. 12. For which LLPs this Scheme is not applicable?

A. 12. This Scheme shall not apply to LLPs which have 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.

Q. 13. Documents for which period in the past, a defaulting LLP is permitted to file?

A. 13. "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.



Q. 14. Is there any immunity from prosecution in respect of document(s) filed under the scheme?

A. 14. Yes, the defaulting LLPs, which have filed their pending documents till 31st March, 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults.

Q. 15. What action Registrar can take on the defaulting LLPs which have not availed this Scheme after conclusion of the same?

A. 15. 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. The defaulting LLPs may be subjected to prosecution by Registrar for such defaults.

(These FAQs were issued on 11th March, 2020 and there is no change in the same except the change in the validity of the Scheme upto 31st March, 2020)

Q. 16. What happens to the forms submitted till 31st March, 2020 under the Original Scheme as per provisions therein contained?

A. 16. Forms furnished till 31st March, 2020 under the Original Scheme as per provisions therein contained are valid and afford immunity stated in the said scheme and which is reproduced in A. 14 herein above.

Q. 17. Whether additional fee of Rs. 10 per day paid under the Original Scheme can be refunded?

A. 17. No.



II. Frequently Asked Questions on the Scheme launched on 30th March, 2020 applicable from 1st April, 2020 to 30th September, 2020**Q. 1. What is revised LLP Settlement Scheme, 2020?**

A. 1. Revised "LLP Settlement Scheme, 2020" is a scheme to give one-time waiver of additional filing fees for delayed filings by the LLPs with the Registrar of Companies during the currency of the Schemes, i.e. during the period starting from 1st April, 2020 and ending on 30th September, 2020. Refer General Circular No 13/2020 available at the link –

http://www.mca.gov.in/Ministry/pdf/GeneralCircular06_04032020.pdf

Q. 2. What is the objective of this revised Scheme?

A. 2. The Ministry of Corporate Affairs, 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 the compliance burden, certain modifications to the General Circular 06/2020 and it has been decided to be implemented w.e.f 1st April, 2020 to 30th September, 2020.

Q. 3. What is the time period of the revised Scheme?

A. 3. Time period of the revised Scheme is from 1st April, 2020 and shall remain effective up to 30th September, 2020 (both days inclusive).

Q. 4. What is defaulting LLP as per the Scheme?

A. 4. "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. Contextually, the Defaulting LLP is one



that has made a default in filing of documents on the due date(s) specified under the Act and not made good the default.

Q. 5. What are belated documents as per the Scheme?

A. 5. "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 rules made there under. Thus, all forms that are required to be filed under the provisions of LLP Act, 2008 and rules made there under.

Q. 6. Whether an LLP is required to file an application to the Registrar to avail the Scheme?

A. 6. No, the defaulting LLP may avail of the scheme for filing such forms and documents which have not been filed or registered in time and at the time of filing also pay statutory fees as are payable.

Q. 7. What shall be the manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme?

A. 7. Under the scheme, for the belated documents, [the LLP](#) shall pay Statutory filing fees as prescribed under [the LLP](#) Act and rules made there under.

Q. 8. Whether any additional fee payable for filing forms under this Scheme?

A. 8. No additional fee is payable for filing any belated document under the Scheme.

Q. 10. When the Scheme shall be applicable?

A. 10. Scheme shall be applicable on filing of all documents or forms along with payment of fees prescribed.



Q. 11. Which LLPs are ineligible for availing this Scheme ~~is not applicable~~?

A. 11. This Scheme shall is not applicable to LLPs which have 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.

Q. 12. Documents for which period in the past, a defaulting LLP is permitted to file?

A. 12. "defaulting LLP" is permitted to file belated documents, which were due for filing till 31st August, 2019 in accordance with the provisions of this Scheme.

Q. 13. Is there any immunity from prosecution in respect of document(s) filed under the scheme?

A. 13. Yes, the defaulting LLPs, which have filed their pending documents till 30th September, 2020 and made good the default, shall not be subjected to prosecution by the Registrar for defaults in filing of forms and documents by the due date.

Q. 14. What is the difference between the Original Scheme dated 4th March, 2020 and Revised Scheme dated 30th March, 2020?

A. 14. The Original Scheme dated 4th March, 2020 required LLPs to make payment of Additional fee of Rs 10 per day is payable per document subject to maximum of Additional fees not exceeding Rs. 5,000/- per document whereas no additional fees are payable under the Revised Scheme dated 30th March, 2020.

Further the Original Scheme was applicable only for four forms viz. Form Nos 3, 4, 8 and 11 whereas the Revised Scheme is applicable for all forms that are required to be filed under the provisions of LLP Act, 2008 and rules made there under.



Q. 15. What action Registrar can take on the defaulting LLPs which have not availed this Scheme after conclusion of the same?

A. 15. On the conclusion of the Scheme after 30th September, 2020, 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. The defaulting LLPs may be subjected to prosecution by Registrar for such defaults.
