

Editorial 861

Everything About Amnesty Scheme of LLP – 2023

MCA Circular No 08/2023 Dated: 23.08.2023

(23rd August 2023)

SHORT SUMMARY:

In this editorial, the author shall discuss “Latest Amnesty Scheme introduced by MCA in relation to Limited Liability Partnership”.

MCA has issued General Circular No 08/2023 Dated: 23rd August 2023- Subject- Condonation of Delay in filing of Form-3, Form 4, Form 11 u/s 68 of LLP Act, 2008.

MCA has mentioned that they have received so many representations in relation to technical glitches in the MCA site and mismatches in the master data, due to which LLP's were not able to file the LLP-3, LLP-4, and LLP-11.

To promote the ease of doing business, MCA exercises their power under Section 67 of the LLP Act, 2008, has granted one-time relaxation in additional fees and any other actions for delayed in filing of the above-mentioned three forms for a certain period, as discussed in this editorial.

Only one thing is confusing about this scheme. Why has MCA not covered Form LLP 8 in this amnesty scheme? A technical issue and a master data issue equally affected the filings of LLP 8 as well.

Hope after reading this editorial the MCA will rethink it and allow LLP 8 also for the benefit of this amnesty scheme.

QUICK BITES:

Que 1: Which forms are covered under this amnesty Scheme? (DG)

Ans 1: This amnesty scheme is specifically for LLPs. There is no benefit to companies under this scheme. Even all the forms of LLP are not covered under this scheme. (DG)

The following three forms are getting the benefit of this amnesty scheme:

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- i. LLP - 3
 - ii. LLP -4
 - iii. LLP -11
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Que 2: Whether Form 3 and Form 4 shall be approved as STP mode? (DG)

Ans 2: As per point no. 3 of the circular, Forms 3 and 4 filed under this scheme shall be processed through STP Mode (meaning, once the file is approved automatically) for all the purposes except those mentioned below. (DG)

If form LLP 3 is filed for the purpose of changing business activity and selected option 17 (alone or in combination with any other purpose), then such form shall be approved as NON-STP mode.

Que 3: Whether there is any importance to the sequence of filing of the forms? (DG)

Ans 3: Filing of these forms in a sequential manner is very important, as per Paragraph 3 of the Circular. DG

If an LLP must file more than one LLP 3 or LLP 4, then make sure the "Old Event Date Form is filed first and so on to enable the system to update master data in a proper manner. DG

Note: After filing the form for one event, LLP must ensure that the master data is correct before going for subsequent filing.

Que 4: If for any LLP, the details in Master Data are incorrect, in such a case, how to file these three forms? (DG)

Ans 4:

In the case of a change in agreement, as per Paragraph 3(ii) of the circular, at the time of preparation of these forms, the pre-filled data as per the existing master data of the LLP shall be provided. But the same shall be **editable**. MCA is giving you the facility to edit the data. Therefore, LLP can edit the data and mention the correct data. (DG)

Further, in case any data is missing, the same needs to be added with the Additional option in File No. 19 of the LLP Form 3 with the same event date.

In the case of filing the initial agreement, LLP has to reach out to the MCA help desk or raise a ticket with the help desk with a screenshot of the error or incorrect data and LLPIN. (DG)

OR

Alternate Option: Stakeholders may file an initial agreement with the prefilled information and subsequently correct the master data by filing LLP 3 for a change in agreement with the same even date and enclosing the initial agreement.

Que 5: Which period LLP 3 and LLP 4 can file under this Scheme without additional fees? (DG)

Ans 5: As per para 3(iii) of the scheme, the MCA has not granted open-ended relaxation for the filing of LLP 3 and LLP 4. It is conditional relaxation, as mentioned below: (DG)

Only Form LLP 3 and Form LLP 4 with a due date on or after 01.01.2021 can file under this scheme without additional fees.

In the event that Form LLP 3 and Form LLP 4 have a due date on or before 31.12.2020 then these two forms can be filed with additional fees.

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- 2 times additional fees for Small LLP
 - 4 times additional fees for Small LLP
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Que 6: Which period can LLP 11 file under this scheme without additional fees?? (DG)

Ans 6: As per para 3(iv) of the scheme, MCA has not granted open-ended relaxation for filing LLP 11. It is conditional relaxation, as mentioned below: (DG)

Only Form LLP 11 relating to the financial year 2021-22 and onwards can be filed under this scheme without additional fees.

In the case Form LLP 11 relating to the financial year prior to 2020-21 can be file with additional Fees.

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- 2 times additional fees for Small LLP
 - 4 times additional fees for Small LLP
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Note: *Make sure the LLP files LLP 11 in a sequential manner based on the financial year end date.*

Que 7: What shall be the time period of the scheme to obtain benefit? (DG)

Ans 7: These three forms shall be available for filing under this scheme **from 01.09.2023 onwards till 30.11.2023** (both data inclusive). (DG)

Post 30.11.2023 additional fees shall be applicable as per the LLP Act, 2008.

Que 8: Whether LLP 3 can file again with the same event date? (DG)

Ans 8: To correct the Master Data if required, LLP can again file LLP 3 with same event date. (DG)

Que 9: Whether form LLP is 11 is editable?

Ans 9: All the prefilled fields in the Excel file are allowed to be edited. Even LLP can add or delete any row or column.

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