

# ROCUPDATES

#ROCUPDATES/2019-20/02

## LLP Settlement Scheme 2020

SHAH TEELANI & ASSOCIATES

CHARTERED ACCOUNTANTS



**Compiled By**  
**CS Divya Goswani**  
**Team Shah Teelani**

Information in this book is intended to help the common tax payers understand the subject. Authors have taken utmost care to ensure the correctness and completeness of this information. However, readers are advised to seek professional help before acting on any information, advice, or interpretation, whether explicit or implicit, given in this book.

### LLP Settlement Scheme 2020

#### Meaning and Concept of LLP

A Limited Liability Partnership or LLP is an alternative corporate business form which offers the benefits of limited liability to the partners at low compliance costs. It also allows the partners to organize their internal structure like a traditional partnership. A limited liability partnership is a legal entity, liable for the full extent of its assets. The liability of the partners, however, is limited. Hence, LLP is a hybrid between a company and a partnership.

#### Large Numbers of LLP's have defaulted in filing following forms:

- Form -3 viz. LLP Agreement and changes therein and statutory return
- Form-8- Statement of Account & Solvency (Annual or Interim)
- Form-11- Annual Return of LLP

As per LLP act if such requisite forms not being filed within prescribed time presently LLPs may file such documents on payment of additional fee for 100 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.

Due to ease of doing business Government decided to give "One time relaxation in additional fees to the defaulting LLPs to make good their default by filing pending documents.

#### Details of Scheme:

**1. Cut-off Date:**

LLP is permitted to file belated documents, which were due to filing till 31<sup>st</sup> October, 2019.

**2. Time period of Scheme:**

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

## ROCUPDATES

---

### 3. Relaxation from Prosecution:

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.

### 4. Additional Fees:

- Additional fees of Rs 10/- per day for delay
- Maximum additional Fees Rs. 5,000/- per document.

### 5. Applicability of Scheme on Following forms:

- Form -3 viz. LLP Agreement and changes therein and statutory return
- 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;
- Form-8- Statement of Account & Solvency (Annual or Interim)
- Form-11- Annual Return of LLP

### 6. Non Applicability of Scheme:

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.

### 7. CONCLUSION OF THE SCHEME:

The Registrar shall take necessary action under the LLP Act, 2008 against the

- a. LLPs which have not availed this Scheme and
- b. Are in default in filing of documents as required under the provisions of LLP Act, 2008 in a timely manner.

# SHAH TEELANI & ASSOCIATES



CHARTERED ACCOUNTANTS

302-303, Shubh House, Bh Jain Dairy,

Swastik Cross Road, Off C G Road, Ahmedabad - 380009

M-9978292929, L-079 48492929

Email- [gst@shahteelani.com](mailto:gst@shahteelani.com)

Web- [www.shahteelani.com](http://www.shahteelani.com)