

Government Offers Amnesty to Defaulting LLPs

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- **The Entities that sign up for the scheme can gain immunity from prosecution.**

NEW DELHI:

The Finance Ministry on Wednesday announced an Amnesty scheme for Limited Liability Partnerships (LLPs) that defaulted on filing statutory documents such as statements of account and annual returns as a one-time opportunity to improve ease of doing business.

An official statement from the ministry said the 'LLP settlement Scheme, 2020' will remain open from 16 March till 13 June, 2020. The idea is to enable Compliance by LLPs who were not able to file their documents due to accumulated late fee, which may prove to be a financial burden.

"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. As part of the 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," said the statement.

The documents covered under the scheme include limited liability partnership agreement and changes to it, notice of appointment, cessation, changes in the name, address or designation of a partner or designated partner, annual or interim statement of account and solvency and annual return of the LLP.

The entities that sign up for the scheme can make good their defaults and gain immunity from prosecution. Under the scheme, documents that were due until the end of October 31 2019 can be filed now. A nominal additional fee of Rs.10 a day for the period of delay, in addition to any fee payable for filing of such document or return, needs to be paid. The maximum additional fee to be paid per document is capped at Rs.5,000. The statement said the scheme seeks to offer greater ease of living to the citizens.