

# **Decriminalisation of the Limited Liability Partnership (LLP) Act, 2008 proposed**

Posted On: 01 FEB 2021 1:39PM by PIB Delhi

- **REVISION IN 'SMALL COMPANIES' DEFINITION**
- **PROPOSED EASING OF RULES IN 'ONE PERSON COMPANIES' FOR START-UPS, INNOVATORS**
- **STRENGTHENING OF NCLT FRAMEWORK FOR FASTER DEBT RESOLUTION**
- **PROPOSED LAUNCH OF NEW MCA21 VERSION 3.0**

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman proposed reforms for small companies and MSMEs to strengthen Start up ecosystem, while presenting Union Budget 2021-22 in Parliament here today.

## **Decriminalisation of the Limited Liability Partnership (LLP) Act, 2008**

The Finance Minister proposed to take up decriminalisation of the Limited Liability Partnership (LLP) Act, 2008 on similar lines of the decriminalising of the procedural and technical compoundable offences under the Companies Act, 2013, which is now complete.

### **Revision in 'Small Companies' definition**

Smt. Sitharaman proposed to revise the definition under the Companies Act, 2013 for Small Companies by increasing their thresholds for Paid up capital from “not exceeding Rs.50 lakh” to “not exceeding Rs.2 crore” and turnover from “not exceeding Rs.2 crore” to “not exceeding Rs.20 crore”. This will benefit more than two lakh companies in easing their compliance requirements.

### **Proposed easing of rules in 'One Person Companies' for Start-Ups, Innovators**

As a further measure which directly benefits Start-ups and Innovators, the Finance Minister proposed to incentivize the incorporation of One Person Companies (OPCs) by allowing OPCs to grow without any restrictions on paid up capital and turnover, allowing their conversion into any other type of company at any time, reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and also allow Non Resident Indians (NRIs) to incorporate OPCs in India.

### **Strengthening of NCLT framework for faster debt resolution**

To ensure faster resolution of cases, the Finance Minister stated that NCLT framework will be strengthened, e-Courts system shall be implemented and alternate methods of debt resolution and special framework for MSMEs shall be introduced.

### **Launch of new MCA21 Version 3.0**

During the coming fiscal 2021-22, the Finance Minister said the Government will launch a data analytics, artificial intelligence, machine learning driven MCA21 Version 3.0. This Version of MCA 3.0 will have additional modules for e-scrutiny, e-Adjudication, e-Consultation and Compliance Management.

Disclaimer: The content above is taken from the source mentioned

Resource: PIB, 01 Feb 2021

**Copyright © 2019 Aparajitha Corporate Services Pvt., Ltd. All Rights Reserved.**