



REGULATORY INSIGHTS

LIMITED LIABILITY PARTNERSHIP (SECOND AMENDMENT) RULES, 2022

Limited Liability Partnership (Second Amendment) Rules, 2022

The Ministry of Corporate Affairs (“MCA”) vide its notification dated 4th March, 2022 has issued the Limited Liability (Second Amendment) Rules, 2022 (hereinafter referred to as “LLP Amendment Rules”) to amend the existing Limited liability Partnership Rules, 2009. The amendments in the rules are in force from the date of its publication in the official gazette i.e. March 07, 2022.

The amendment in the Rules are aimed to improve ease of doing business and parallely, scaling up the discourse requirements on the other hand.

Total of nine Rules have been amended apart form changes brought about in the forms namely RUN LLP, FiLLiP, Form 3, Form 4, Form 5, Form 8, Form 9, Form 11, Form 15, Form 16, Form 17, Form 18, Form 22, Form 23, Form 24, Form 25, Form 27, Form 28, Form 31.

Key highlights of the changes introduced vide LLP Amendment Rules are as follows:

1. Allotment of upto 5 DIN/DPIN along with incorporation application, itself:

Application for allotment of DIN/DPIN can now be made for up to five individuals at the time of incorporation of the LLP in form FiLLiP. Previously application for allotment of DIN/DPIN could only be made for two individuals at the time of incorporation. This will help LLPs appointing more than two Designated Partners at the time of Incorporation itself, instead of adding on Designated Partners subsequently after procuring their DINs/DPINs.

2. Permanent Account number and Tax Deduction Account Number to be issued along with Certificate of Incorporation of LLP

The Certificate of Incorporation of Limited Liability partnership issued by the Registrar in Form 16 shall mention Permanent Account number (PAN) and Tax Deduction Account Number (TAN) issued by Income Tax Department.

Previously, application for PAN and TAN had to be made separately. Now, MCA has extended this facility to LLPs as well which was previously available for Companies only.

3. Streamlining the process of Incorporation of LLP

The process for formation of LLP is being made web-based instead on various Forms, at par with Company formation process. A functionality of fetching KYC details of applicants is being made active to make the process paper less to a large extent.

4. Notification of Form for reporting communication address of LLP

The Ministry of Corporate Affairs notified a Form for reporting change of communication address of the LLP other than its Registered Office. The intimation of the change can now be made in Form 12.

CONCLUSION

The changes introduced are attempted to ease the LLP formation process with minimum paperwork and ironing out various provisions under the LLP Act and existing Rules.

For further details or clarifications, please refer the Notification dated 4th March, 2022 at:

<https://www.mca.gov.in/bin/dms/getdocument?mds=iorXjBHYBr94XltGw2NNBA%253D%253D&type=open>

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