

Limited Liability Partnership (Amendment) Rules, 2022

Recently, the Ministry of Corporate Affairs (MCA) notified the Limited Liability Partnership (Amendment) Rules, 2022 (LLP Rules) to come into effect from 1 April 2022. We discuss the relevant aspects of the notification.

Change of Name of LLP in certain cases: (Rule 19 and Rule 19A)

MCA has on 11 February 2022 notified Rule 19 and 19A to the LLP Rules. As per the new rule 19(1), an LLP, a company, or a proprietor of a registered trademark under the Trade Marks Act, 1999 that already has a name or trade mark that is similar to or too nearly resembles the name or new name of an LLP incorporated subsequently may apply to the Regional Director in Form 23 for directing the said LLP to change its name.

There is however a time limit for filing such an application. The registered trademark holder must file an application within three years of the date of formation, registration, or alteration of the name of the LLP.

New Rule 19A deals with the assignment of a new name to an existing LLP.

If an LLP fails to change its name or adopt a new name within three months of receiving a direction under sub-section (1) of section 17, the letters "ORDNC" (Order of Regional Director Not Complied), the year the direction was passed, the serial number, and the existing LLPIN of the LLP shall become the new name of the LLP without any further action or deed by the LLP. In such a case, the registrar shall accordingly make an entry of the new name in the register of LLP and issue a fresh certificate of incorporation in Form no. 16A.

In case LLP Form No-5 (Change of Name of LLP) is still pending for disposal three months after the regional director's directive is issued then the above provisions shall not apply, unless the e-form is later rejected.

An LLP whose name has been changed must include its changed name on all the official communications, invoices and publications and state that it has limited liability. Further, the statement "Order of Regional Director Not Complied (under section 17 of the LLP Act, 2008) shall be mentioned in brackets beneath the name of the LLP on its invoices, official correspondence, and publications.

Adjudication of penalties

Penal provisions are inserted to ensure compliance with the provisions of the LLP Act. Adjudicating officers have been given powers to issue notices on the LLP, partnership, partner or designated partner of a limited liability partnership or any other person contravening the provisions of the Act. For this purpose, an adjudicating officer will be appointed by the Government, who will assume the post of Registrar and above. All the consequent appellate procedures are notified.

Weblink <https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MTE3OTE3MTQ=&docCategory=Notifications&type=open>

Therefore

For enforcing the penal provisions, MCA has inserted the adjudication procedures and its redressal upto the Appellate level. To ensure the interest of the existing registered trademark holders, i.e. proprietors, the above amendments have been made under the prevailing LLP Rules.