

Limited Liability Partnership (Second Amendment) Rules, 2022

The Limited Liability Partnership (Second Amendment) Rules, 2022, were notified by the Ministry of Corporate Affairs (MCA) on 4 March 2022, to alter the existing Limited Liability Partnership Rules, 2009. The modified rules will take effect from 7 March 2022.

The amendments are as follows:

1) Five DPINs to be allotted at the time of incorporation

As per the erstwhile rules, a maximum of two individuals could apply for the allotment of Designated Partner Identification numbers (DPIN). The new rules allow upto five individuals to apply for DPIN at incorporation.

2) Allotment of TAN and PAN during Incorporation

Previously, there was no mechanism for the automatic assignment of an LLP's PAN and TAN at the incorporation stage. As per the modified regulations, PAN and TAN of LLP shall be assigned with the Certificate of Incorporation (COI). The change will bring the LLP's incorporation process in line with the companies.

3) Relaxation in specifying the 'name of the authority' under which the name change application is filed

Previously, an application for change of name required the applicant to attach and upload the following documents under Rule 19 (4):

- a. the authority under which such an application is made; and
- b. a copy of the LLP's incorporation certificate

The new rules do away with the necessity of attaching the details of authority (i.e. point a above).

4) The signing of Statement of Account & Insolvency of LLPs under insolvency

Rule 24 (6) of the LLP Rules, 2009 requires designated partners to sign the Statement of Account and Solvency.

However, no signing authority was stipulated where the corporate insolvency resolution process (CIRP) under the Insolvency and Bankruptcy Code (IBC) or under the LLP Act was initiated against an LLP. The new rules specify that the Statement of Account and Solvency in such cases may be signed on behalf of the LLP by either of the following

- an interim resolution professional / resolution professional
- liquidator
- limited liability partnership administrator

5) Foreign LLPs

Foreign LLPs having established place of business in India were earlier required to file two distinct forms, i.e., Form no. 28/29 (as applicable), in case of any alteration regarding incorporation document, registered/principal office, partners, authorised persons, etc. Form 29 has been done away with, and all the details are now combined in Form 28.

Weblink <https://egazette.nic.in/WriteReadData/2022/233974.pdf>

Therefore

The LLP (Second Amendment) Rules, 2022, are a welcome and significant step forward. Such reforms will undoubtedly aid the LLP incorporation process and other compliances by adapting to the web-based procedures.

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