

## Ministry of Corporate Affairs

30 March 2020

New Delhi

### Press Release

In pursuance of the Government of India's efforts to provide relief to law abiding companies and Limited Liability Partnerships (LLPs) in the wake of COVID 19, the Ministry of Corporate Affairs, has introduced the "**Companies Fresh Start Scheme, 2020**" and revised the "**LLP Settlement Scheme, 2020**" which is already in vogue to provide a first of its kind opportunity to both companies and LLPs to make good any filing related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity. The Fresh Start scheme and modified LLP Settlement Scheme incentivize compliance and reduce compliance burden during the unprecedented public health situation caused by COVID-19. The USP of both the schemes is a one-time waiver of additional filing fees for delayed filings by the companies or LLPs with the Registrar of Companies during the currency of the Schemes, i.e. during the period starting from 1<sup>st</sup> April, 2020 and ending on 30<sup>th</sup> September, 2020.

2. The Schemes, apart from giving longer timelines for corporates to comply with various filing requirements under the Companies Act 2013 and LLP Act, 2008, significantly reduce the related financial burden on them, especially for those with long standing defaults, thereby giving them an opportunity to make a "**fresh start**". Both the Schemes also contain provision for giving immunity from penal proceedings, including against imposition of penalties for late submissions and also provide additional time for filing appeals before the concerned Regional Directors against imposition of penalties, if already imposed. However, the immunity is only against delayed filings in MCA 21 and not against any substantive violation of law.

3. Details of the both the Schemes may be perused from the Circulars dated 30.03.2020, issued by the Ministry of Corporate Affairs.

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