

# Note

## Limited Liability Partnership (Amendment) Rules 2012

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## Note

Corporate world had witnessed several remarkable changes in Corporate Law that various regulatory bodies had come up since last year. Lot of changes were brought about with regard to Limited Liability Partnerships (LLPs) too. Alongwith the statutory changes, there were several technical changes in terms of eforms, filing requirements, integration of DIN and DPIN etc. Recently Ministry of Corporate Affairs (MCA) has come up with amendments in Limited Liability Rules, 2008 (the Rules) vide notification dated June 05, 2012<sup>i</sup> and named the same as Limited Liability (Amendment) Rules, 2012 (the Amendments Rules). The amendments have come into force since June 11, 2012. Let us see an analysis of such changes.

## The Amendments Rules

### Rule 8

The first amendment has been brought in Rule 8. Pursuant to section 7 (4), an LLP had to file with the Registrar the particulars of individuals who have consented to act as Designated Partner (DP). The same was to be filed in accordance with Rule 8 of the Rules, which required the filing to be done in eform 4. After the Amendment Rules, a proviso has been inserted to Rule 8 saying that in case of incorporation the individual consenting to act as **partner or DP** shall be required to file the consent in eform 2. Addendum to eform 2 and 4 have been issued vide the said Amendment Rules.

### Rule 18

Under Rule 18 there are several cases given under which the name to be availed by a LLP should not be allowed and/or reserved. One of the provision being that in case the name of the LLP is different only to the extent of having the name of a place within brackets before the word LLP should not be reserved. Now a proviso has been inserted after Rule 18 (2) (ix) stating **that the name shall be reserved in case the No Objection Certificate is granted by the registered LLP or the Company.** Therefore, pursuant to this, one can understand that only in case of clause (ix) under the sub-rule the NoC is valid. In else cases, NOC will practically not work as per this specific proviso.

Under clause (xiii) LLPs with words like “banks”, “insurance”, “banking”, “venture capital/” or “mutual fund” and similar names were not allowed to have these name unless approved by the concerned regulatory authority. The clause has now been substituted so as to not only include such words in the names but also where the business activity is that of a bank, insurance, mutual fund, venture capital etc. The proviso added further states that the necessary approval of the Regulatory authority

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should be taken at the time of incorporation or change of name as the case may be. Therefore, one can interpret that in case at the time of incorporation either the proposed name has the words as mentioned above or the LLP is intending to carry on business activities as stated the necessary approval should be taken. Same goes at the time of change in name.

Similarly, under Clause (xvi) the name shall not be reserved if the proposed name includes words denoting professions like company secretary, chartered accountant, advocate and such alike words without approval of the Council governing such profession or any designated authority for the matter. A proviso has been now inserted stating that the said approval should be taken either at the time of incorporation or change of name of existing LLP.

### **Annexure A**

In Annexure A, para 3A has been newly inserted. According to it in case of any filing, registering/recording notice of appointment, any cessation or change in name, address, any designation change of any partner, intimation of DPIN and any consent to become a partner or DP has to be in eform 4 and the shall carry a fee of Rs. 50/-. It has to be noted that as per the new proviso inserted under Rule 8, the consent to act as partner or DP has to be intimated by the individual himself in eform 2 whereas the intimation by the LLP shall be in eform 4. This is what one can understand from the amendments.

Thereafter, under para 4 which prescribes the fees for application a sixth item as item **(f)** has been inserted stating that in case of an application for striking off the name of a defunct LLP under Rule 37, a fess of Rs. 500/- shall be paid.

### **Substitution of eforms**

Further, the eforms in the rules have been also suitably amended vide the Amendment Rules in line with the above amendments. Some of them being changes in form 2, 4, 8, 11, 12 etc.

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<sup>i</sup> [http://www.mca.gov.in/Ministry/notification/pdf/G.S.R298\(E\)\\_05\\_06\\_2012\\_LLP\\_Amendment.pdf](http://www.mca.gov.in/Ministry/notification/pdf/G.S.R298(E)_05_06_2012_LLP_Amendment.pdf)