

Initiatives taken by the Ministry towards Ease of Doing Business

- Ministry of Corporate Affairs has provided exemption to private companies through Companies (Amendment) Act, 2015, wherein the requirement for minimum paid up capital was removed.
- Central Registration Centre(CRC) was established by MCA under Section 396 of the Companies Act, 2013 (Act) vide notification dated 22.01.2016 in an initiative of Government Process Re-engineering (GPR) for providing speedy incorporation related services in line with global best practices.
- CRC was established with one clear objective i.e. – Applications for Name reservation and Incorporation of a company should be processed and completed within D or D+1 days (D=Date of Payment Confirmation). In the first phase, the CRC processed applications for name availability through e-form INC-1. In the second phase CRC started processing e- forms for incorporation of companies.
- The Ministry of Corporate Affairs launched the Simplified Proforma for Incorporating Company Electronically (SPICE) e-Form in place of INC-29. Further, the Ministry has also integrated the MCA21 System with the CBDT for issue of PAN and TAN to a company incorporated using (SPICE). Stakeholders submit applications for PAN and TAN at the time of submitting applications for incorporation through SPICE. The PAN/TAN allotted by Income Tax Department are being affixed on the Certificate of Incorporation of the company. Stakeholders can apply for DIN(Director Identification Number) through SPICE up to three directors. This has resulted in reduction in the number of processes and time taken for Starting a Business in the country.
- After SPICE, MCA launched a new and simplified web based service R.U.N. (Reserve Unique Name) for reserving a name in place of INC-1. This has also removed the requirement to use a Digital Signature Certificate (DSC) during name reservation. It was another value addition to Ease of Doing Business in India.
- Further, Ministry of Corporate Affairs has amended the LLP Rules, 2009 through Limited Liability Partnership (Second Amendment) Rules, 2018 notified on 18.09.2018 and effective from 02.10.2018. The said amendment has introduced RUN-LLP Form in place of LLP Form 1 for reserving the name and FiLLiP Form in place of LLP Form

2 for incorporation, earlier LLP incorporations were done in respective ROCs. Now this process is made centralized to keep it at par with companies and as a part of Starting a business in India.

- Ministry vide notification G.S.R. no. 180 (E) dated 06.03.2019 has amended the Rule 38(2) of the Companies (Incorporation) Rules, 2014. With the issue of this notification, zero fee is to be charged by MCA for all incorporations with authorized capital upto INR 15, 00,000.
- Declaration to be given in SPICe e-Form itself, in place of Affidavit which was earlier an attachment
- Ministry vide notification G.S.R. no. 275 (E) dated 29.03.2019 has amended the Companies (Incorporation) Rules, 2014 and inserted Rule 38A to facilitate integration of MCA21 system with registration of EPFO, ESIC, GST at the time of incorporation of companies in SPICe e-Form.
- Name Availability Rules have been simplified by MCA through Companies (Incorporation) Fifth Amendments Rules, 2019. These amended rules provide ample illustrations to avoid ambiguity in name reservation. Consequently, name rejection rate has fallen and the time taken for approval has reduced. This has resulted in speed, greater transparency, uniformity and eradication of discretion.
- MCA has amended the incorporation rules for section 8 companies vide notification no. 411 (E) dated 07.06.2019, as per which the application for license and incorporation of the said companies are to be submitted in a single form i.e. SPICe. Earlier such license was obtained through e-form INC-12 from respective ROCs/RDs which is now merged with SPICe and is made centralized. This simplified process has reduced the time line for incorporation of section 8 Companies.