

Key features of SPICe+ for Greater Ease of Doing Business

As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs would be shortly notifying & deploying a new **Web Form** christened 'SPICe+' (pronounced 'SPICe Plus') replacing the existing SPICe form.

SPICe+ would offer 10 services by 3 Central Govt Ministries & Departments. (Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue in the Ministry of Finance) and One State Govt.(Maharashtra), thereby saving as many procedures, time and cost for Starting a Business in India and would be applicable for all new company incorporations w.e.f 15th February 2020.

Features:

1. SPICe+ would be an integrated Web Form.

2. SPICe+ would have two parts viz.: **Part A**-for Name reservation for new companies and **Part B** offering a bouquet of services viz.

- (i) *Incorporation*
- (ii) *DIN allotment*
- (iii) *Mandatory issue of PAN*
- (iv) *Mandatory issue of TAN*
- (v) *Mandatory issue of EPFO registration*
- (vi) *Mandatory issue of ESIC registration*
- (vii) *Mandatory issue of Profession Tax registration(Maharashtra)*
- (viii) *Mandatory Opening of Bank Account for the Company and*
- (ix) *Allotment of GSTIN (if so applied for)*

3. Users may either choose to submit **Part-A** for reserving a name first and thereafter submit Part B for incorporation & other services or file **Part A** and **B** together at one go for incorporating a new company and availing the bouquet of services as above.

4. A new and user friendly Dashboard on the Front Office is being created for company incorporation application (**SPICe+** and linked forms as applicable).

5. Incorporation applications (Part B) after name reservation (In Part A) can be submitted as a seamless process in continuation of Part A of **SPICe+**. Stakeholders will not be required to even enter the SRN of the approved name as the approved Name will be prominently displayed on the Dashboard and a click on the same will take the user for continuation of the application through a hyperlink that will be available on the SRN/application number in the new dashboard.

6. Resubmission of applications for company name reservation and/or incorporation shall also be handled through the application number/Name applied for link on the new dashboard. A hyperlink will be available for the SRN/application number, so as to enable easy resubmission, wherever required.

7. **From 15th February 2020 onwards, RUN service would be applicable only for ‘change of name’ of an existing company.**
8. The new web form would Facilitate On-screen filing and real time data validation for seamless incorporation of companies.
9. The approved name and related incorporation details as submitted in Part A, would be automatically Pre-filled in all linked forms also viz., **AGILE-PRO, eMoA, eAoA, URC-1, INC-9** (as applicable)
10. For ensuring ease while filing, **SPICe+** will be structured into various sections.
11. Information once entered can be saved and modified.
12. All Check form and Pre-scrutiny validations (except DSC validation) will happen on web-form itself.
13. Once the **SPICe+** is filled completely with all relevant details, the same would then have to be converted into pdf format, with just a click of the mouse button, for affixing DSCs.
14. All digitally signed applications can then be uploaded along with the linked forms as per the existing process.
15. Changes/modifications to **SPICe+** (even after generating pdf and affixing DSCs), can also be done by editing the same web form application which has been saved, generating the updated pdf affixing DSCs and uploading the same.
16. DSC validation and other validations will happen at Upload Level.
17. Registration for EPFO and ESIC shall be mandatory for all new companies incorporated w.e.f 15 February 2020 and no EPFO & ESIC registration nos. shall be separately issued by the respective agencies.
18. Registration for Profession Tax shall also be mandatory for all new companies incorporated in the State of Maharashtra w.e.f 15th February 2020.
19. All new companies incorporated through **SPICe+** (w.e.f 15th February 2020) would also be mandatorily required to apply for opening the company’s Bank account through the **AGILE-PRO** linked web form.
20. Declaration by all Subscribers and first Directors in **INC-9** shall be auto-generated in pdf format and would have to be submitted only in Electronic form in all cases, except where:
 - (i) Total number of subscribers and/or directors is greater than **20** and/or
 - (ii) Any such subscribers and/or directors has neither **DIN** nor **PAN**.

Initiatives taken by the Ministry towards Ease of Doing Business (Prior to Year 2020)

- 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 up to 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.