

MCA streamlines IEPFA-related reporting, revamps forms

Our Bureau

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Corporate Affairs Ministry (MCA) streamlined reporting of payments or transfer of securities under the Investor Education and Protection Fund Authority (IEPFA) administered framework, improving the overall filing experience for companies.

Besides revamping the forms, MCA has also done away with the previously stipulated requirement of depositing funds into a specific Punjab National Bank account. This has been done as online credits are now accepted.

However, a designated timeline of 30 days for crediting the funds to the IEPF has now been stipulated, which was hitherto absent.

The contents of two existing forms (IEPF 3 and IEPF 7) have been subsumed into IEPF 4 and IEPF 1 respectively. Revised set of forms — IEPF 1, IEPF 1A, IEPF 2 — have now been issued by MCA, informed sources said.

NO SPECIFIC ACCOUNT

Also, the previously stipulated requirement for depositing funds into a specific Punjab National Bank account has been eliminated with acceptance of online credits.

Sandeep Jhunjhunwala, M&A Tax Partner at Nangia Andersen LLP said “this (MCA) initiative not only simplifies the reporting process but also

fosters enhanced transparency. All fund activity is now accompanied by comprehensive investor data, ensuring a more robust and accountable system”.

Makarand M Joshi, Founder, MMJC and Associates — a corporate compliance firm, said that the IEPF forms have now been aligned with the prevailing legal provisions relating to IEPF, enhancing the overall filing experience.

Bottlenecks faced in filing IEPF forms in certain situations (relating to submitting details of the nodal officer and deputy nodal officer, and so on) are now addressed in the new version of forms, Joshi added.

“Additionally, the new version of these forms, which consolidates two forms (IEPF 3 and IEPF 7) into the existing IEPF forms, will contribute to the ease of doing business,” he added.

Notably, form IEPF 7, previously dedicated to detailing shares transferred to the fund, has been strategically merged with the revamped form IEPF 1 now encompassing both amounts credited and transferred shares. Further, form IEPF 1A which is a statement of amounts credited to IEPF, now mandates investor-wise details as well, facilitating verifications of amounts subsequently claimed or claimable by investors.

The IEPFA will serve as a vital bulwark for investors by meticulously administering the IEPF.