

MSME Registration: Udyog Aadhaar Memorandum

- The Ministry of MSME has notified a one page Udyog Aadhaar Memorandum (UAM) through a Gazette of India on 18.09.2015 as part of initiative to ease of Registration of MSMEs.
- The UAM replaces Entrepreneur Memorandum Part EM I and EM II
- Filing of UAM is optional for MSMEs .It is compulsory for Medium Enterprises.
- The units with permanent SSI registration certificates prior to implementation of the MSMED Act, 2006 or EM-II Memorandum or Udyog Aadhaar Memorandum would also be eligible for availing of assistance under various schemes implemented by the Government.
- Unit with EMII registration are not required to file UAM but if they so desire they may also file the Udyog Aadhaar Memorandum;
- The memorandum shall be filed only after establishing the unit, obtaining all regulatory approvals and starting commercial operations;
- UAM registration has replaced Entrepreneurship Memorandum-I (EM-I) and Small Scale Industry Registration for all purposes. Central or State Government regulatory bodies, tax authorities, utilities providing water, power, etc. banks and other financial institutions and similar organisations should accept UAM in place of EM – II for all purposes. Earlier there was a provision to take Enterprise Memorandum-I (EM-I) registration before setting up an enterprise. Applicants used to file applications for obtaining utilities, building plan approval from local bodies, consent to establish from State Pollution Control Board or applying for term loan from bank or a financial institution to set up the enterprise along with a copy of EM-I.
- UAM registration is given after an enterprise starts commercial operations. Now there is no registration before establishing an enterprise. The practice of EM-I registration is stopped. There is no counterpart document to EM-I.

- Therefore, utilities, local bodies, regulatory bodies, tax authorities, banks and financial institutions and other similar bodies I should not ask for EM-I from the applicants who want to set up an enterprise.

Some of the benefits provided by Central Govt /State Govts who are either registered under EM II or now under UAM registration may be summarized below

- ⊕ Government in a phase wise manner enhances the list of reserved products to be brought from MSME's only and has put in place policies and has reserved three hundred fifty (350) items for purchase from MSMEs, under the Government Stores Purchase Programme.
- ⊕ To encourage the small-scale units, the SEZs are required to allocate 10 per cent space for the small-scale units
- ⊕ Under the MSMED Act, protections are offered in relation to timely payment for goods and services by buyers to MSMEs.
- ⊕ Furthermore, the Government has been encouraging and supporting the sector through policies for preferential access to credit, preferential purchase policy, etc.
- ⊕ It has been offering packages of schemes and incentives through its specialized institutions in the form of assistance in obtaining finance; help in marketing; technical guidance; training and technology up gradation, Interest concession in Loans ,credit Guarantee scheme for Borrowing from Banks/FI etc.
- ⊕ As per Trademark Rules 2017, special provision has been carved out for micro and small industries. As per schedule A of the rules, the fees for filing a trademark application for MSME's is only 50% as compared to another form of business.
- ⊕ Concessions in Performance credit rating
- ⊕ Subsidy up to 15% under credit linked capital subsidy scheme (CLCSS)