

## **Limited Liability Partnerships Act 2000**

(2000, c. 12)

An Act to make provision for limited liability partnerships.

[20 July 2000]

### *Introductory*

#### **1 Limited liability partnerships**

(1) There shall be a new form of legal entity to be known as a limited liability partnership.

(2) A limited liability partnership is a body corporate (with legal personality separate from that of its members) which is formed by being incorporated under this Act; and—

(a) in the following provisions of this Act (except in the phrase ‘oversea limited liability partnership’), and

(b) in any other enactment (except where provision is made to the contrary or the context otherwise requires),

references to a limited liability partnership are to such a body corporate.

(3) A limited liability partnership has unlimited capacity.

(4) The members of a limited liability partnership have such liability to contribute to its assets in the event of its being wound up as is provided for by virtue of this Act.

(5) Accordingly, except as far as otherwise provided by this Act or any other enactment, the law relating to partnerships does not apply to a limited liability partnership.

(6) The Schedule (which makes provision about the names and registered offices of limited liability partnerships) has effect.

### *Incorporation*

#### **2 Incorporation document etc.**

(1) For a limited liability partnership to be incorporated—

(a) two or more persons associated for carrying on a lawful business with a view to profit must have subscribed their names to an incorporation document,

(b) the incorporation document or a copy of it must have been delivered to the registrar, and

(c) there must have been so delivered a statement made by either a solicitor engaged in the formation of the limited liability partnership or anyone who subscribed his name to the incorporation document, that the requirement imposed by paragraph (a) has been complied with.

(2) The incorporation document must—

(a) [*repealed*]

(b) state the name of the limited liability partnership,

(c) state whether the registered office of the limited liability partnership is to be situated in England and Wales, in Wales, in Scotland or in Northern Ireland,

(d) state the address of that registered office,

(e) give the required particulars of each of the persons who are to be members of the limited liability partnership on incorporation, and

(f) either specify which of those persons are to be designated members or state that every person who from time to time is a member of the limited liability partnership is a designated member.

(2ZA) The required particulars mentioned in subsection (2)(e) are the particulars required to be stated in the LLP's register of members and register of members' residential addresses.

(3) If a person makes a false statement under subsection (1)(c) which he—

(a) knows to be false, or

(b) does not believe to be true,

he commits an offence.

(4) A person guilty of an offence under subsection (3) is liable—

(a) on summary conviction, to imprisonment for a period not exceeding six months or a fine not exceeding the statutory maximum, or to both, or

(b) on conviction on indictment, to imprisonment for a period not exceeding two years or a fine, or to both.

### **3 Incorporation by registration**

(1) The registrar, if satisfied that the requirements of section 2 are complied with, shall—

(a) register the documents delivered under that section, and

(b) give a certificate that the limited liability partnership is incorporated.

(1A) The certificate must state—

(a) the name and registered number of the limited liability partnership,

(b) the date of its incorporation, and

(c) whether the limited liability partnership's registered office is situated in England and Wales (or in Wales), in Scotland or in Northern Ireland.

- (2) The registrar may accept the statement delivered under paragraph (c) of subsection (1) of section 2 as sufficient evidence that the requirement imposed by paragraph (a) of that subsection has been complied with.
- (3) The certificate shall either be signed by the registrar or be authenticated by his official seal.
- (4) The certificate is conclusive evidence that the requirements of section 2 are complied with and that the limited liability partnership is incorporated by the name specified in the incorporation document.

### *Membership*

#### **4 Members**

- (1) On the incorporation of a limited liability partnership its members are the persons who subscribed their names to the incorporation document (other than any who have died or been dissolved).
- (2) Any other person may become a member of a limited liability partnership by and in accordance with an agreement with the existing members.
- (3) A person may cease to be a member of a limited liability partnership (as well as by death or dissolution) in accordance with an agreement with the other members or, in the absence of agreement with the other members as to cessation of membership, by giving reasonable notice to the other members.
- (4) A member of a limited liability partnership shall not be regarded for any purpose as employed by the limited liability partnership unless, if he and the other members were partners in a partnership, he would be regarded for that purpose as employed by the partnership.

#### **4A Minimum membership for carrying on business**

- (1) This section applies where a limited liability partnership carries on business without having at least two members, and does so for more than 6 months.
- (2) A person who, for the whole or any part of the period that it so carries on business after those 6 months—
  - (a) is a member of the limited liability partnership, and
  - (b) knows that it is carrying on business with only one member,is liable (jointly and severally with the limited liability partnership) for the payment of the limited liability partnership's debts contracted during the period or, as the case may be, that part of it.

#### **5 Relationship of members etc.**

- (1) Except as far as otherwise provided by this Act or any other enactment, the mutual rights and duties of the members of a limited liability partnership, and the mutual rights and duties of a limited liability partnership and its members, shall be governed—

- (a) by agreement between the members, or between the limited liability partnership and its members, or
  - (b) in the absence of agreement as to any matter, by any provision made in relation to that matter by regulations under section 15(c).
- (2) An agreement made before the incorporation of a limited liability partnership between the persons who subscribe their names to the incorporation document may impose obligations on the limited liability partnership (to take effect at any time after its incorporation).

### **6 Members as agents**

- (1) Every member of a limited liability partnership is the agent of the limited liability partnership.
- (2) But a limited liability partnership is not bound by anything done by a member in dealing with a person if—
- (a) the member in fact has no authority to act for the limited liability partnership by doing that thing, and
  - (b) the person knows that he has no authority or does not know or believe him to be a member of the limited liability partnership.
- (3) Where a person has ceased to be a member of a limited liability partnership, the former member is to be regarded (in relation to any person dealing with the limited liability partnership) as still being a member of the limited liability partnership unless—
- (a) the person has notice that the former member has ceased to be a member of the limited liability partnership, or
  - (b) notice that the former member has ceased to be a member of the limited liability partnership has been delivered to the registrar.
- (4) Where a member of a limited liability partnership is liable to any person (other than another member of the limited liability partnership) as a result of a wrongful act or omission of his in the course of the business of the limited liability partnership or with its authority, the limited liability partnership is liable to the same extent as the member.

### **7 Ex-members**

- (1) This section applies where a member of a limited liability partnership has either ceased to be a member or—
- (a) has died,
  - (b) has become bankrupt or had his estate sequestrated or has been wound up,
  - (c) has granted a trust deed for the benefit of his creditors, or

(d) has assigned the whole or any part of his share in the limited liability partnership (absolutely or by way of charge or security).

(2) In such an event the former member or—

(a) his personal representative,

(b) his trustee in bankruptcy or permanent or interim trustee (within the meaning of the Bankruptcy (Scotland) Act 1985) or liquidator,

(c) his trustee under the trust deed for the benefit of his creditors, or

(d) his assignee,

may not interfere in the management or administration of any business or affairs of the limited liability partnership.

(3) But subsection (2) does not affect any right to receive an amount from the limited liability partnership in that event.

### **8 Designated members**

(1) If the incorporation document specifies who are to be designated members—

(a) they are designated members on incorporation, and

(b) any member may become a designated member by and in accordance with an agreement with the other members,

and a member may cease to be a designated member in accordance with an agreement with the other members.

(2) But if there would otherwise be no designated members, or only one, every member is a designated member.

(3) If the incorporation document states that every person who from time to time is a member of the limited liability partnership is a designated member, every member is a designated member.

(4) A limited liability partnership may at any time deliver to the registrar—

(a) notice that specified members are to be designated members, or

(b) notice that every person who from time to time is a member of the limited liability partnership is a designated member,

and, once it is delivered, subsection (1) (apart from paragraph (a)) and subsection (2), or subsection (3), shall have effect as if that were stated in the incorporation document.

(5) [*Repealed*]

(6) A person ceases to be a designated member if he ceases to be a member.

## 9 Registration of membership changes

(1) A limited liability partnership must ensure that—

(a) where a person becomes or ceases to be a member or designated member, notice is delivered to the registrar within fourteen days, and

(b) where there is any change in the particulars contained in its register of members or its register of members' residential addresses, notice is delivered to the registrar within 14 days.

(2) Where all the members from time to time of a limited liability partnership are designated members, subsection (1)(a) does not require notice that a person has become or ceased to be a designated member as well as a member.

(3) A notice delivered under subsection (1) that relates to a person becoming a member or designated member must contain—

(a) a statement that the member or designated member consents to acting in that capacity, and

(b) in the case of a person becoming a member, a statement of the particulars of the new member that are required to be included in the limited liability partnership's register of members and its register of residential addresses.

(3ZA) Where—

(a) a limited liability partnership gives notice of a change of a member's service address as stated in its register of members, and

(b) the notice is not accompanied by notice of any resulting change in the particulars contained in its register of members' residential addresses,

the notice must be accompanied by a statement that no such change is required.

(4) If a limited liability partnership fails to comply with this section, the partnership and every designated member commits an offence.

(5) But it is a defence for a designated member charged with an offence under subsection (4) to prove that he took all reasonable steps for securing that this section was complied with.

(6) A person guilty of an offence under subsection (4) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

### *Regulations*

## 14 Insolvency and winding up

(1) Regulations shall make provision about the insolvency and winding up of limited liability partnerships by applying or incorporating, with such modifications as appear appropriate—

(a) in relation to a limited liability partnership registered in Great Britain, Parts 1 to 4, 6 and 7 of the Insolvency Act 1986;

(b) in relation to a limited liability partnership registered in Northern Ireland, Parts 2 to 5 and 7 of the Insolvency (Northern Ireland) Order 1989, and so much of Part 1 of that Order as applies for the purposes of those Parts.

(2) Regulations may make other provision about the insolvency and winding up of limited liability partnerships, and provision about the insolvency and winding up of overseas limited liability partnerships, by—

(a) applying or incorporating, with such modifications as appear appropriate, any law relating to the insolvency or winding up of companies or other corporations which would not otherwise have effect in relation to them, or

(b) providing for any law relating to the insolvency or winding up of companies or other corporations which would otherwise have effect in relation to them not to apply to them or to apply to them with such modifications as appear appropriate.

(3) In this Act 'overseas limited liability partnership' means a body incorporated or otherwise established outside the United Kingdom and having such connection with the United Kingdom, and such other features, as regulations may prescribe.

### **15 Application of company law etc.**

Regulations may make provision about limited liability partnerships and overseas limited liability partnerships (not being provision about insolvency or winding up) by—

(a) applying or incorporating, with such modifications as appear appropriate, any law relating to companies or other corporations which would not otherwise have effect in relation to them.

(b) providing for any law relating to companies or other corporations which would otherwise have effect in relation to them not to apply to them or to apply to them with such modifications as appear appropriate, or

(c) applying or incorporating, with such modifications as appear appropriate, any law relating to partnerships.

### **16 Consequential amendments**

(1) Regulations may make in any enactment such amendments or repeals as appear appropriate in consequence of this Act or regulations made under it.

(2) The regulations may, in particular, make amendments and repeals affecting companies or other corporations or partnerships.

### **17 General**

(1) In this Act 'regulations' means regulations made by the Secretary of State by statutory instrument.

(2) Regulations under this Act may in particular—

(a) make provision for dealing with non-compliance with any of the regulations (including the creation of criminal offences),

(b) impose fees (which shall be paid into the Consolidated Fund), and

(c) provide for the exercise of functions by persons prescribed by the regulations.

(3) Regulations under this Act may—

(a) contain any appropriate consequential, incidental, supplementary or transitional provisions or savings, and

(b) make different provision for different purposes.

(4) No regulations to which this subsection applies shall be made unless a draft of the statutory instrument containing the regulations (whether or not together with other provisions) has been laid before, and approved by a resolution of, each House of Parliament.

(5) Subsection (4) applies to—

(a) regulations under section 14(2) not consisting entirely of the application or incorporation (with or without modifications) of provisions contained in or made under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989,

(b) regulations under section 15 not consisting entirely of the application or incorporation (with or without modifications) of provisions contained in or made under the following provisions of the Companies Act 2006 (c. 46)—

Part 4 (a company's capacity and related matters);

Part 5 (a company's name);

Part 6 (a company's registered office);

Chapters 1 and 8 of Part 10 (register of directors);

Part 15 (accounts and reports);

Part 16 (audit);

Part 19 (debentures);

Part 21 (certification and transfer of securities);

Part 24 (a company's annual return);

Part 25 (company charges);

Part 26 (arrangements and reconstructions);

Part 29 (fraudulent trading);

Part 30 (protection of members against unfair prejudice);

Part 31 (dissolution and restoration to the register);

Part 35 (the registrar of companies);

Part 36 (offences under the Companies Acts);

Part 37 (supplementary provisions);

Part 38 (interpretation).

(c) regulations under section 14 or 15 making provision about oversea limited liability partnerships, and

(d) regulations under section 16.

(6) A statutory instrument containing regulations under this Act shall (unless a draft of it has been approved by a resolution of each House of Parliament) be subject to annulment in pursuance of a resolution of either House of Parliament.

### *Supplementary*

## **18 Interpretation**

In this Act—

‘business’ includes every trade, profession and occupation,

‘designated member’ shall be construed in accordance with section 8,

‘enactment’ includes subordinate legislation (within the meaning of the Interpretation Act 1978),

‘incorporation document’ shall be construed in accordance with section 2,

‘limited liability partnership’ has the meaning given by section 1(2),

‘member’ shall be construed in accordance with section 4.

‘modifications’ includes additions and omissions,

‘name’ in relation to a member of a limited liability partnership, means—

(a) if an individual, his forename and surname (or, in the case of a peer or other person usually known by a title, his title instead of or in addition to either or both his forename and surname), and

(b) if a corporation or Scottish firm, its corporate or firm name,

‘oversea limited liability partnership’ has the meaning given by section 14(3),

‘the registrar’ means—

(a) if the registered office of the limited liability partnership is, or is to be, in England and Wales (or Wales), the registrar of companies for England and Wales,

(b) if the registered office of the limited liability partnership is, or is to be, in Scotland, the registrar of companies for Scotland, and

(c) if the registered office of the limited liability partnership is, or is to be, in Northern Ireland, the registrar of companies for Northern Ireland, and

‘regulations’ has the meaning given by section 17(1).

### **19 Commencement, extent and short title**

(1) The preceding provisions of this Act shall come into force on such day as the Secretary of State may by order made by statutory instrument appoint; and different days may be appointed for different purposes.

(2) The Secretary of State may by order made by statutory instrument make any transitional provisions and savings which appear appropriate in connection with the coming into force of any provision of this Act.

(3) For the purposes of the Scotland Act 1998 this Act shall be taken to be a pre-commencement enactment within the meaning of that Act.

(4) This Act extends to the whole of the United Kingdom.

(5) This Act may be cited as the Limited Liability Partnerships Act 2000.

## SCHEDULE

### NAMES AND REGISTERED OFFICES

[Schedule introduced by section 1.]

#### PART I NAMES

##### *Name to indicate status*

2.—(1) The name of a limited liability partnership must end with—

(a) the expression ‘limited liability partnership’, or

(b) the abbreviation ‘llp’ or ‘LLP’.

(2) But if the incorporation document for a limited liability partnership states that the registered office is to be situated in Wales, its name must end with—

(a) one of the expressions 'limited liability partnership' and 'partneriaeth atebolrwydd cyfyngedig',  
or

(b) one of the abbreviations 'llp', 'LLP', 'pac' and 'PAC'.

*Change of name*

4.—(1) A limited liability partnership may change its name at any time.

(2) The name of a limited liability partnership may also be changed—

(a) on the determination of a new name by a company names adjudicator under section 73 of the Companies Act 2006 (c. 46) as applied to limited liability partnerships (powers of adjudicator on upholding objection to name);

(b) on the determination of a new name by the court under section 74 of the Companies Act 2006 as so applied (appeal against decision of company names adjudicator);

(c) under section 1033 as so applied (name on restoration to the register).

*Notification of change of name*

5.—(1) Where a limited liability partnership changes its name it shall deliver notice of the change to the registrar.

(2) [*Repealed*]

(3) Where the registrar receives notice of a change of name he shall (unless the new name is one by which a limited liability partnership may not be registered)—

(a) enter the new name on the register in place of the former name, and

(b) issue a certificate of the change of name.

(4) The change of name has effect from the date on which the certificate is issued.

*Effect of change of name*

6. A change of name by a limited liability partnership does not—

(a) affect any of its rights or duties,

(b) render defective any legal proceedings by or against it,

and any legal proceedings that might have been commenced or continued against it by its former name may be commenced or continued against it by its new name.

*Improper use of 'limited liability partnership' etc.*

7.—(1) If any person carries on a business under a name or title which includes as the last words—

(a) the expression 'limited liability partnership' or 'partneriaeth atebolrwydd cyfyngedig', or

(b) any contraction or imitation of either of those expressions,

that person, unless a limited liability partnership or oversea limited liability partnership, commits an offence.

(2) A person guilty of an offence under sub-paragraph (1) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

#### NOTES ON TEXT

The text of the Act given here incorporates amendments made by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 (SI 2009/1804), sch 3, part 1. Those amendments repealed all provisions inserted or amended by previous amending legislation. Sections 10–13 (amendment of tax statutes) are omitted. Sch., para. 1, repealed by the Companies Act 2006, sch. 16. Sch., para. 3, repealed by SI 2009/1804, sch. 3, para. 10(1) and (2). Sch., paras 8–10, repealed by SI 2009/1804, sch. 3, para. 10(1), (5) and (6).