

## UK Limited Liability Partnerships

<b>General</b>	
Type of entity	LLP
Type of law	Common
Shelf company availability	Yes
Our time to establish a new company	1 day
Minimum government fees (excluding taxation)	Not Applicable
Corporate Taxation	Fiscally Transparent
Double taxation treaty access	No
<b>Share Capital or Equivalent</b>	
Standard currency	Not Applicable
Permitted currencies	Not Applicable
Minimum paid up	Not Applicable
Usual authorised	Not Applicable
<b>Directors or Managers (See Designated Members)</b>	
Minimum number	Not Applicable
Local required	Not Applicable
Publicly accessible records	Not Applicable
Location of meetings	Not Applicable
<b>Members</b>	
Minimum number of Designated Members	2 must be responsible for the affairs of the LLP
Maximum number	No Limit
Publicly accessible records	Yes
Location of meetings	Anywhere
<b>Company Secretary</b>	
Required	Not Applicable
Local or qualified	Not Applicable
<b>Accounts</b>	
Requirement to prepare	Yes
Audit requirements	Yes, but small company exceptions
Requirement to file accounts	Yes
Publicly accessible accounts	Yes
<b>Other</b>	
Requirement to file annual return	Yes
Change in domicile permitted	No

## IMPORTANT INFORMATION

UK LLPs provided by OCRA Worldwide must be formed with a view to making profit and for the purpose of undertaking the international trade of goods or services either as principal or agent or for the provision of consultancy or related services.

International UK LLPs established by OCRA Worldwide have pre-prepared operating agreements which preclude UK resident members, the undertaking of business in the UK, the ownership of property or shares and the sale of membership interests within the UK.

## LLP INFORMATION

### Principal Corporate Legislation

- Limited Liability Partnership Act 2000.
- The Income and Corporation Taxes Act 1988 (as amended).

### Introduction

A limited liability partnership is a new form of legal business entity with limited liability.

The main features of limited liability partnerships are that they have organisational flexibility but are taxed as partnerships. In many other respects they are very similar to companies.

The Limited Liability Partnership Act 2000 generally allows two or more persons carrying on a lawful business with a view to profit to form a limited liability partnership by subscribing to its incorporation document - Form LLP 2. (In law, 'person' includes individuals and companies.) However, limited liability partnerships are not available for all activities such as non profit making activities.

### Designated Members

Every limited liability partnership must at all times have at least two, formally appointed designated members. (Designated members are analogous to the executive directors and the company secretary of a company). The designated members are responsible for:

- Appointing an auditor (if one is needed)
- Signing the accounts on behalf of the members
- Delivering the accounts to the Registrar
- Notifying the Registrar of any membership changes or changes to the registered office address or name of the limited liability partnership
- Preparing, signing and delivering to the Registrar an Annual Return (Form LLP363); and
- Acting on behalf of the Limited Liability Partnership if it is wound up or dissolved

Designated members are liable in law for failing to carry out these legal responsibilities. If there are fewer than two designated members then every member is deemed to be a designated member. (The limited liability partnership may have decided that all members will be designated members or that only some members will be designated).

With the agreement of the other members, a member may become a designated member at any time. Designated members enjoy the same rights and owe the same duties towards the limited liability partnership as any other member. These mutual rights and duties are governed by the limited liability partnership agreement and the general law. However, the law also places additional responsibilities on designated members.

### Members

There can be an unlimited number of members.

### Procedure to Incorporate

By submission of the Incorporation Document Form LLP2, together with the registration fee to the Registrar of Companies. The following are to be confirmed to the Registrar of Companies on registration of a limited liability partnership:

- the name of the limited liability partnership
- the address of the registered office
- the names and addresses of each of the corporations or individuals who are the first members of the limited liability partnership on establishment. Where they are individuals their date of birth must also be confirmed



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- the designated members must be confirmed. The designated members are persons responsible for the statutory compliance of the limited liability partnership and need to be a minimum of two, unless membership of the limited liability partnership drops to one person only
- a compliance statement signed by a solicitor or first member confirming that the limited liability partnership is being established to carry on lawful business with a view to profit.

#### **Restrictions on Trading**

Yes, for specified categories, which include banking, insurance, financial services, consumer credit related services and employment agencies.

#### **Powers of LLP**

A Limited Liability Partnership incorporated in the United Kingdom has the same powers as a natural person.

#### **Language of Legislation and Corporate Documents**

English.

#### **Shelf LLPs Available**

Yes.

#### **Time to Incorporate**

One to five days, subject to name approval.

#### **Name Restrictions**

Any name which is identical or too similar to an existing LLP or company; any name which would be considered offensive or suggests criminal activity; or any name that suggests the patronage of the Royal Family or the Government of the United Kingdom.

Restricted names include the use of the following words:- assurance, bank, benevolent, building society, Chamber of Commerce, fund management, insurance, investment fund, loans, municipal, reinsurance, reinsurance, savings, trust, trustees, university or their foreign language equivalents for which the approval of the Secretary of State is first required.

#### **Language of Name**

Whilst the name of company can be in any language, the documentation must be in English. Any name in a language other than English must be accompanied by a certified translation to ensure that the name is not restricted. However, if the company is incorporated in Wales, documentation in Welsh will be accepted.

#### **Registered Office Required**

Yes, must be maintained in the United Kingdom.

#### **Names Requiring Consent or Licence**

Banking and all financial services activities such as insurance.

#### **Suffixes to Denote Limited Liability**

Limited Liability Partnership or the relevant abbreviation.

#### **Disclosure of Beneficial Ownership to Authorities**

No, but disclosure may in certain circumstances be required for accounting purposes. (Accounts must be filed and are available for inspection by the public).

### **COMPLIANCE**

#### **Capital**

The minimum capital contribution is £ 2.

#### **Taxation**

The member's exemption from UK tax is only applicable provided that no business or trade is carried out with or within the United Kingdom.

The tax authorities in the United Kingdom have confirmed that the taxation base of a limited liability partnership will follow the procedure operated in the past for partnerships. The limited liability partnership itself will not be liable for taxation on profits or gains arising within the partnership, but the profits or gains will be assessed to tax separately on the individual partners.



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In order to remain this status a limited liability partnership must be a commercial venture operating with a view to profit that is not in liquidation.

### Double Taxation Agreements

The United Kingdom is party to more double tax treaties than any other sovereign state. However, access to treaty benefits for UK LLPs is determined by the residence of members, consequently International UK LLPs established by OCRA Worldwide cannot benefit from UK treaty access.

### Licence Fees

None.

### Financial Statement Requirements

All UK LLPs are required to file annual accounts with the Registrar of Companies which must contain details of:

- Turnover; balance sheet signed by the designated members: an auditors' report signed by the auditor (if appropriate); notes to the accounts; and group accounts (if appropriate).
- Profit and loss for the year before members' remuneration/profit shares.
- Where the profit figure exceeds £200,000, the amount attributable to the member with the largest profit share.
- Aggregate capital or loans put in by members and aggregate amounts withdrawn during the year by members.

Accounts must be accompanied by an auditor's report which clearly states the name, date and signature of the auditor (unless the LLP is exempt from audit).

There are three sizes of LLP, small, medium or large, and any LLP which does not meet the criteria for small or medium is a large LLP which will have to prepare and file full accounts.

A subsidiary can claim exemption from audit if its parent is established under the law of an EEA state, in certain circumstances. The claim should be made to the Registrar before the date on which the accounts are due containing:

- A written notice that all members of the LLP agree to the exemption in respect of the relevant financial year
- A correctly completed form LL AA06 – statement from the parent undertaking that it guarantees the subsidiary under section 479C of the Companies Act 2006 in respect of the financial year.
- A copy of the parent undertaking's consolidated accounts including a copy of the auditor's report and the annual report on those accounts.

For more information on the audit exemptions please follow - <http://www.companieshouse.gov.uk/about/gbhtml/gpllp2.shtml>

### Disclaimer

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