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## STATUTORY INSTRUMENTS

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# 2021 No. 60

## PARTNERSHIP

### The Limited Liability Partnerships (Amendment etc.) Regulations 2021

<i>Made</i>	- - - -	<i>15th January 2021</i>
<i>Laid before Parliament</i>		<i>21st January 2021</i>
<i>Coming into force</i>	- -	<i>16th February 2021</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 14, 15 and 17(2) and (3) of the Limited Liability Partnerships Act 2000(1) and paragraph 91 of Schedule 4 and paragraph 55 of Schedule 8 to the Corporate Insolvency and Governance Act 2020(2).

#### Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Limited Liability Partnerships (Amendment etc.) Regulations 2021 and come into force on 16th February 2021.

(2) In these Regulations—

“the 1986 Act” means the Insolvency Act 1986(3);

“the 1989 Order” means the Insolvency (Northern Ireland) Order 1989(4);

“the 2001 Regulations” means the Limited Liability Partnerships Regulations 2001(5);

“the 2004 Regulations” means the Limited Liability Partnerships Regulations (Northern Ireland) 2004(6);

“the 2006 Act” means the Companies Act 2006(7);

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(1) 2000 c. 12; section 17 was amended by the Corporate Insolvency and Governance Act 2020 (c. 12) (“the 2020 Act”), section 7 and Schedule 9, paragraph 21, and [S.I. 2009/1804](#). Section 17(1) defines “regulations”.

(2) 2020 c. 12.

(3) 1986 c. 45; Part A1 was inserted by section 1 of the 2020 Act.

(4) [S.I. 1989/2405 \(N.I.19\)](#); Part 1A was inserted by section 4 of the 2020 Act.

(5) [S.I. 2001/1090](#); relevant amending instruments are [S.I. 2005/1989](#) and [2007/1119](#).

(6) [S.R. 2004 No. 307](#), amended by [S.I. 2002/3152 \(N.I.6\)](#); there are other amending instruments but none are relevant.

(7) 2006 c. 46; Part 26A was inserted by paragraph 1 of Schedule 9 to the 2020 Act.

“the 2009 Regulations” means the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009<sup>(8)</sup>;

“the 2020 Act” means the Corporate Insolvency and Governance Act 2020.

## **Revocation**

2. The Limited Liability Partnerships (Amendment etc.) Regulations 2020<sup>(9)</sup> are revoked.

## **Amendment of Schedule 3 to the 2001 Regulations**

3.—(1) Schedule 3 to the 2001 Regulations (modifications to the 1986 Act) is amended in accordance with Schedule 1 to these Regulations.

(2) Nothing in these Regulations affects the operation of the 1986 Act, or any other enactment, in relation to a moratorium under Schedule A1 to that Act which comes into force before the repeal of that Schedule by Schedule 3 to the 2020 Act.

## **Amendment of Schedule 3 to the 2004 Regulations**

4.—(1) Schedule 3 to the 2004 Regulations (modifications to the 1989 Order) is amended in accordance with Schedule 2 to these Regulations.

(2) Nothing in these Regulations affects the operation of the 1989 Order, or any other statutory provision, in relation to a moratorium under Schedule A1 to that Order which comes into force before the repeal of that Schedule by Schedule 7 to the 2020 Act.

## **Amendment of the 2009 Regulations**

5. The 2009 Regulations are amended in accordance with Schedule 3.

## **Application of temporary provision in the 2020 Act to limited liability partnerships: Great Britain**

6. Schedule 4 to the 2020 Act (moratoriums in Great Britain: temporary provision) applies to limited liability partnerships registered in Great Britain, except where the context otherwise requires, with the following modifications—

- (a) references to a company include references to a limited liability partnership;
- (b) references to a director of a company include references to a designated member of a limited liability partnership;
- (c) such further modifications as the context requires for the purpose of giving effect to that Schedule as applied by these Regulations.

## **Application of temporary provision in the 2020 Act to limited liability partnerships: Northern Ireland**

7. Schedule 8 to the 2020 Act (moratoriums in Northern Ireland: temporary provision) applies to limited liability partnerships registered in Northern Ireland, except where the context otherwise requires, with the following modifications—

- (a) references to a company include references to a limited liability partnership;

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<sup>(8)</sup> S.I. 2009/1804 to which there are amendments not relevant to these Regulations.

<sup>(9)</sup> S.I. 2020/643.

- (b) references to a director of a company include references to a designated member of a limited liability partnership;
- (c) such further modifications as the context requires for the purpose of giving effect to that Schedule as applied by these Regulations.

15th January 2021

*Callanan*  
Lords Parliamentary Under Secretary of State  
Department for Business, Energy and Industrial  
Strategy

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

## SCHEDULE 1

Regulation 3

## AMENDMENTS TO SCHEDULE 3 TO THE 2001 REGULATIONS

1. Schedule 3 to the 2001 Regulations is amended as follows.
2. Before the entry relating to section 1 insert—

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“Section A3 (obtaining a moratorium by filing or lodging documents at court)(10)	
subsection (1)	Omit paragraph (b) and the “and” preceding it.
subsection (2)	For “directors” substitute “designated members”.
Section A4 (obtaining a moratorium for company subject to winding-up petition)	
subsection (2)	For “directors” substitute “designated members”.
Section A5 (obtaining a moratorium for other overseas companies)	Omit.
Section A6 (the relevant documents)	
subsection (1)	In paragraph (a) for “directors wish” substitute “limited liability partnership wishes”.  In paragraph (d) for “directors” substitute “designated members”.
Section A7 (beginning of moratorium and appointment of monitor)	
subsection (1)	Omit paragraph (c).
Section A8 (obligations to notify where moratorium comes into force)	
subsection (1)	For “directors” substitute “designated members”.
subsection (4)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.
Section A10 (extension by directors without creditor consent)	
subsection (1)	In the words before paragraph (a) for “directors” substitute “designated members”.  In paragraph (a) for “directors wish” substitute “limited liability partnership wishes”.  In paragraph (b) for “directors” substitute “designated members”.

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(10) Part A1 was inserted by section 1 of the 2020 Act.

	In paragraph (c) for “directors” substitute “designated members”.
Section A11 (extension by directors with creditor consent)	
subsection (1)	In the words before paragraph (a) for “directors” substitute “designated members”. In paragraph (a) for “directors wish” substitute “limited liability partnership wishes”. In paragraph (b) for “directors” substitute “designated members”. In paragraph (c) for “directors” substitute “designated members”. In paragraph (e) for “directors” substitute “designated members”.
Section A13 (extension by court on application of directors)	
subsection (1)	For “directors” substitute “designated members”.
subsection (2)	In paragraph (a) for “directors” substitute “designated members”. In paragraph (b) for “directors” substitute “designated members”. In paragraph (c) for “directors” substitute “designated members”.
Section A14 (extension while proposal for CVA pending)	
subsection (1)	In paragraph (a) for “directors make” substitute “limited liability partnership makes”.
subsection (3)	In paragraph (a) for “company and its creditors both” substitute “creditors of the limited liability partnership”. Omit paragraph (b).
Section A17 (obligations to notify change in end of moratorium)	
subsection (1)	For “directors of a company” substitute “designated members of a limited liability partnership”. In the table, for the heading of the third column substitute “the designated members must”.
subsection (6)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.

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Section A20 (restrictions on insolvency proceedings etc)

subsection (1)

In paragraph (a) for “directors” substitute “limited liability partnership”.

Omit paragraphs (b) and (c).

In paragraph (d) for “directors” substitute “limited liability partnership”.

In paragraph (e) for “directors” substitute “limited liability partnership”.

In paragraph (f) omit “or 22(1)”.

In paragraph (g) omit “or 22(1)”.

Section A24 (duty of directors to notify monitor of insolvency proceedings etc)

subsection (1)

For “directors of a company must notify the monitor before taking” substitute “designated members of a limited liability partnership must notify the monitor before the limited liability partnership takes”.

In paragraph (c) substitute “22” for “22(2)”.

subsection (2)

Omit.

subsection (3)

Omit “or (2)”.

subsection (4)

For subsection (4) substitute—

“(4) If the designated members fail to comply with subsection (1), any designated member who did not have a reasonable excuse for the failure commits an offence.”

Section A31 (disposal of charged property free from charge)

subsection (7)

For “directors” substitute “designated members”.

subsection (8)

For “directors” substitute “designated members”, and for “director” substitute “designated member”.

Section A32 (disposal of hire-purchase property)

subsection (5)

For “directors” substitute “designated members”.

subsection (6)

For “directors” substitute “designated members”, and for “director” substitute “designated member”.

Section A36 (provision of information to monitor)

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subsection (1)	For “directors” substitute “designated members”.
subsection (2)	For “directors” substitute “designated members”.
Section A38 (termination of moratorium by monitor)	
subsection (1)	In paragraph (c) for “directors” substitute “designated members”.
Section A39 (replacement of monitor or appointment of additional monitor)	
subsection (3)	For “directors” substitute “designated members”.
Section A42 (challenge to monitor’s actions)	
subsection (2)	In paragraph (a) omit “, director”.
Section A44 (challenge to directors’ actions)	
subsection (1)	In the text before paragraph (a) omit “or member”.
	In paragraph (a), omit “or members” in both places where it appears.
Section A48 (prosecution of delinquent officers of company)	
subsection (3)	Omit paragraph (c) and the “and” preceding it.
Section A49 (regulated companies: modifications to this Part)	
subsection (4)	For “directors” substitute “designated members”.
subsection (5)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.

3. Omit the entry relating to section 1A (moratorium)(11).

4. In the entries relating to modifications to sections 2 to 7 where a proposal under section 1 has been made by a limited liability partnership—

- (a) in the entry relating to section 2 (procedure where the nominee is not the liquidator or the administrator)(12), omit the entry relating to subsection (1);
- (b) in the entry relating to section 4 (decisions of meetings), after the entry relating to subsection (4) insert—

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(11) Section 1A was repealed by section 2 of, and paragraph 2 of Schedule 3 to, the 2020 Act.

(12) Section 2 was amended by section 2 of, and paragraph 3 of Schedule 3 to, the 2020 Act.

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“subsection (4A)(13)	For “neither the company nor its creditors may” substitute “the creditors of the limited liability partnership may not”.”.
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5. In the entry relating to section 122 (circumstances in which company may be wound up by the court)(14), in the entry relating to subsection (1) of that section, in the text of subsection (1) as applied to limited liability partnerships, omit paragraph (da).

6. In the entry relating to section 124 (application for winding up)(15), omit the entry relating to subsection (3A).

7. After the entry relating to section 173 insert—

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“Section 174A (moratorium debts etc: priority)(16) subsection (9)	For paragraph (b) substitute—  “(b) the limited liability partnership determines that it is to be wound up voluntarily.”.”.
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8. Omit the entry relating to Schedule A1(17) and all the entries relating to paragraphs of that Schedule.

9. In the entry relating to Schedule 10 (punishment of offences under this Act)(18)—

(a) before the entry relating to section 6A(1) insert—

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“Section A8(4)	For “Directors” substitute “Designated members”.
Section A17(6)	For “Directors” substitute “Designated members”.
Section A24(4)	For “Directors” substitute “Designated members”.
Section A31(8)	For “Directors” substitute “Designated members”.
Section A32(6)	For “Directors” substitute “Designated members”.
Section A49(5)	For “Directors” substitute “Designated members”.”;

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(b) omit both entries relating to provisions of Schedule A1.

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(13) Subsection (4A) was inserted by section 2 of, and paragraph 4 of Schedule 3 to, the 2020 Act.  
 (14) Section 122 was amended by section 2 of, and paragraph 10 of Schedule 3 to, the 2020 Act.  
 (15) Section 124 was amended by section 2 of, and paragraph 11 of Schedule 3 to, the 2020 Act.  
 (16) Section 174A was inserted by section 2 of, and paragraph 13 of Schedule 3 to, the 2020 Act.  
 (17) Schedule A1 was repealed by section 2 of, and paragraph 30 of Schedule 3 to, the 2020 Act.  
 (18) Schedule 10 was amended by section 2 of, and paragraph 33 of Schedule 3 to, the 2020 Act.



SCHEDULE 2

Regulation 4

AMENDMENTS TO SCHEDULE 3 TO THE 2004 REGULATIONS

1. Schedule 3 to the 2004 Regulations is amended as follows.
2. After the entry relating to Article 13 insert—

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“Article 13B (obtaining a moratorium by filing documents at High Court)(19)	
paragraph (1)	Omit sub-paragraph (b) and the “and” preceding it.
paragraph (2)	For “directors” substitute “designated members”.
Article 13BA (obtaining a moratorium for company subject to winding-up petition)	
paragraph (2)	For “directors” substitute “designated members”.
Article 13BB (obtaining a moratorium for other overseas companies)	
Omit.	
Article 13BC (the relevant documents)	
paragraph (1)	In sub-paragraph (a) for “directors wish” substitute “limited liability partnership wishes”.
	In sub-paragraph (d) for “directors” substitute “designated members”.
Article 13BD (beginning of moratorium and appointment of monitor)	
paragraph (1)	Omit sub-paragraph (c).
Article 13BE (obligations to notify where moratorium comes into force)	
paragraph (1)	For “directors” substitute “designated members”.
paragraph (4)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.
Article 13CA (extension by directors without creditor consent)	
paragraph (1)	In the words before sub-paragraph (a) for “directors” substitute “designated members”.
	In sub-paragraph (a) for “directors wish” substitute “limited liability partnership wishes”.

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(19) Part 1A was inserted by section 4 of the 2020 Act.

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	In sub-paragraph (b) for “directors” substitute “designated members”.
	In sub-paragraph (c) for “directors” substitute “designated members”.
Article 13CB (extension by directors with creditor consent)	
paragraph (1)	In the words before sub-paragraph (a) for “directors” substitute “designated members”.
	In sub-paragraph (a) for “directors wish” substitute “limited liability partnership wishes”.
	In sub-paragraph (b) for “directors” substitute “designated members”.
	In sub-paragraph (c) for “directors” substitute “designated members”.
	In sub-paragraph (e) for “directors” substitute “designated members”.
Article 13CD (extension by High Court on application of directors)	
paragraph (1)	For “directors” substitute “designated members”.
paragraph (2)	In sub-paragraph (a) for “directors” substitute “designated members”.
	In sub-paragraph (b) for “directors” substitute “designated members”.
	In sub-paragraph (c) for “directors” substitute “designated members”.
Article 13CE (extension while proposal for CVA pending)	
paragraph (1)	In sub-paragraph (a) for “directors make” substitute “limited liability partnership makes”.
paragraph (3)	In sub-paragraph (a) for “company and its creditors both” substitute “creditors of the limited liability partnership”.
	Omit sub-paragraph (b).
Article 13CH (obligations to notify change in end of moratorium)	
paragraph (1)	For “directors of a company” substitute “designated members of a limited liability partnership”.
	In the table, for the heading of the third column substitute “the designated members must”.

paragraph (6)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.
Article 13DB (restrictions on insolvency proceedings etc)	
paragraph (1)	In sub-paragraph (a) for “directors” substitute “limited liability partnership”. Omit sub-paragraphs (b) and (c). In sub-paragraph (d) for “directors” substitute “limited liability partnership”. In sub-paragraph (e) for “directors” substitute “limited liability partnership”. In sub-paragraph (f) omit “or 23(1)”. In sub-paragraph (g) omit “or 23(1)”.
Article 13DF (duty of directors to notify monitor of insolvency proceedings etc)	
paragraph (1)	For “directors of a company must notify the monitor before taking” substitute “designated members of a limited liability partnership must notify the monitor before the limited liability partnership takes”. In sub-paragraph (c) substitute “23” for “23(2)”.
paragraph (2)	Omit.
paragraph (3)	Omit “or (2)”.
paragraph (4)	For paragraph (4) substitute—  “(4) If the designated members fail to comply with paragraph (1), any designated member who did not have a reasonable excuse for the failure commits an offence.”
Article 13DM (disposal of charged property free from charge)	
paragraph (7)	For “directors” substitute “designated members”.
paragraph (8)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.
Article 13DN (disposal of hire-purchase property)	
paragraph (5)	For “directors” substitute “designated members”.

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paragraph (6)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.
Article 13EB (provision of information to monitor)	
paragraph (1)	For “directors of the company” substitute “designated members”.
paragraph (2)	For “directors” substitute “designated members”.
Article 13ED (termination of moratorium by monitor)	
paragraph (1)	In sub-paragraph (c) for “directors” substitute “designated members”.
Article 13EE (replacement of monitor or appointment of additional monitor)	
paragraph (3)	For “directors” substitute “designated members”.
Article 13F (challenge to monitor’s actions)	
paragraph (2)	In sub-paragraph (a) omit “, director”.
Article 13FB (challenge to directors’ actions)	
paragraph (1)	In the text before sub-paragraph (a) omit “or member”.
	In paragraph (a), omit “or members” in both places where it appears.
Article 13H (regulated companies: modifications to this Part)	
paragraph (4)	For “directors” substitute “designated members”.
paragraph (5)	For “directors” substitute “designated members”, and for “director” substitute “designated member”.

**3. Omit the entry relating to Article 14A(20).**

**4.** In the entries relating to modifications to Articles 15 to 20 where a proposal under Article 14 has been made by a limited liability partnership, in the entry relating to Article 15 (procedure where the nominee is not the liquidator or the administrator)(21), omit the entry relating to paragraph (1).

**5.** In the entry relating to Article 102 (circumstances in which company may be wound up by the court)(22), in the text of that Article as applied to limited liability partnerships, omit paragraph (e).

(20) Article 14A was repealed by section 5 of, and paragraph 6 of Schedule 7 to, the 2020 Act.

(21) Article 15 was amended by section 5 of, and paragraph 7 of Schedule 7 to, the 2020 Act.

(22) Article 102 was amended by section 5 of, and paragraph 14 of Schedule 7 to, the 2020 Act.

6. In the entry relating to Article 104 (application for winding up)(23) omit the entry relating to paragraph (4A).

7. After the entry relating to Article 147 insert—

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“Article 148A (moratorium debts etc: priority)(24)

paragraph (9)

For sub-paragraph (b) substitute—

“(b) the limited liability partnership determines that it is to be wound up voluntarily.”.”.

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8. After the entry relating to Article 182 insert—

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“Article 197B (protection of supplies of goods and services)(25)

paragraph (8)(e)

In paragraph (i) for “general meeting of the company” substitute “meeting of the members of the limited liability partnership”.

In paragraph (ii) for “general meeting of the company” substitute “meeting of the members of the limited liability partnership”.”.

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9. Omit the entry relating to Schedule A1(26) and all the entries relating to paragraphs of that Schedule.

10. In the entry relating to Schedule B1, after the entry relating to paragraph 43 insert—

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“Paragraph 61A(27)

sub-paragraph (3)(b)

For “a company connected with the company.” substitute “a company or limited liability partnership connected with the limited liability partnership.”.”.

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11. In the entry relating to Schedule 7 (punishment of offences under this Act)(28)—

(a) before the entry relating to Article 19A(1) insert—

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“Article 13BE(4)

In the entry relating to Article 13BE(4), for “Directors” substitute “Designated members”.

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(23) Article 104 was amended by section 5 of, and paragraph 15 of Schedule 7 to, the 2020 Act.

(24) Article 148A was inserted by section 5 of, and paragraph 17 of Schedule 7 to, the 2020 Act.

(25) Article 197B was inserted by section 18 of the 2020 Act.

(26) Schedule A1 was repealed by section 5 of, and paragraph 26 of Schedule 7 to, the 2020 Act.

(27) Paragraph 61A was inserted by section 9 of the 2020 Act.

(28) Schedule 7 was amended by section 5 of, and paragraph 29 of Schedule 7 to, the 2020 Act.

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Article 13CH(6)	In the entry relating to Article 13CH(6), for “Directors” substitute “Designated members”.
Article 13DF(4)	In the entry relating to Article 13DF(4), for “Directors” substitute “Designated members”.
Article 13DM(8)	In the entry relating to Article 13DM(8), for “Directors” substitute “Designated members”.
Article 13DN(6)	In the entry relating to Article 13DN(6), for “Directors” substitute “Designated members”.
Article 13H(5)	In the entry relating to Article 13H(5), for “Directors” substitute “Designated members”.”;

- (b) omit the entry relating to Schedule A1 and the relevant paragraphs of that Schedule.

### SCHEDULE 3

Regulation 5

#### AMENDMENTS TO THE 2009 REGULATIONS

1. The 2009 Regulations are amended as follows.
- 2.—(1) Regulation 45 (arrangements and reconstructions) is amended as follows.
  - (2) At the end of the heading insert “: general”.
  - (3) In paragraph (1)—
    - (a) in the text of section 896 (court order for holding of meeting) as applied to limited liability partnerships, at the end insert—
 

“(4) This section is subject to section 899A (moratorium debts, etc).”;
    - (b) in the text of section 899 (court sanction for compromise or agreement) as applied to limited liability partnerships, after subsection (1) insert—
 

“(1A) Subsection (1) is subject to section 899A (moratorium debts, etc).”;
    - (c) after the text of section 899 as applied to limited liability partnerships insert—

#### “Moratorium debts, etc

**899A.**—(1) This section applies where—

- (a) an application under section 896 in respect of a compromise or arrangement is made before the end of the period of 12 weeks beginning with the day after the end of any moratorium for the LLP under Part A1 of the Insolvency Act 1986 or Part 1A of the Insolvency (Northern Ireland) Order 1989 ([S.I. 1989/2405 \(N.I.19\)](#)), and
  - (b) the creditors with whom the compromise or arrangement is proposed include any relevant creditors (see subsection (2)).
- (2) In this section “relevant creditor” means—

- (a) a creditor in respect of a moratorium debt, or
  - (b) a creditor in respect of a priority pre-moratorium debt.
- (3) The relevant creditors may not participate in the meeting summoned under section 896.
- (4) For the purposes of section 897 (statement to be circulated or made available)—
- (a) the requirement in section 897(1)(a) is to be read as including a requirement to send each relevant creditor a statement complying with section 897;
  - (b) any reference to creditors entitled to attend the meeting summoned under section 896 includes a reference to relevant creditors.
- (5) The court may not sanction the compromise or arrangement under section 899 if it includes provision in respect of any relevant creditor who has not agreed to it.
- (6) In this section—
- “moratorium debt”—
  - (a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;
  - (b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order;
  - “priority pre-moratorium debt”—
  - (a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;
  - (b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order.”
- (4) In paragraph (2) omit “or 899”.
3. After regulation 45 insert—

**“Arrangements and reconstructions: LLPs in financial difficulty**

**45A.** Sections 901A to 901J(29) apply to LLPs, modified so that they read as follows—

**“Application of this Part**

**901A.**—(1) The provisions of this Part apply where conditions A and B are met in relation to an LLP.

(2) Condition A is that the LLP has encountered, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern.

(3) Condition B is that—

(a) a compromise or arrangement is proposed between the LLP and—

(i) its creditors, or any class of them, or

(ii) its members, or any class of them, and

(b) the purpose of the compromise or arrangement is to eliminate, reduce or prevent, or mitigate the effect of, any of the financial difficulties mentioned in subsection (2).

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(29) Sections 901A to 901J were inserted into the Companies Act 2006 (c. 46) by section 7 of, and paragraph 1 of Schedule 9 to, the 2020 Act.

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### **Power to exclude LLPs providing financial services, etc**

**901B.**—(1) The Secretary of State may by regulations provide that this Part does not apply—

- (a) where the LLP in respect of which a compromise or arrangement is proposed is an authorised person, or an authorised person of a specified description;
- (b) where—
  - (i) a compromise or arrangement is proposed between an LLP, or an LLP of a specified description, and any creditors of the LLP, and
  - (ii) those creditors consist of or include creditors of a specified description.

(2) In this section—

“authorised person” has the same meaning as in the Financial Services and Markets Act 2000 (see section 31 of that Act);

“specified” means specified in the regulations.

(3) Regulations under this section are subject to affirmative resolution procedure.

### **Court order for holding of meeting**

**901C.**—(1) The court may, on an application under this subsection, order a meeting of the creditors or class of creditors, or of the members of the LLP or class of members (as the case may be), to be summoned in such manner as the court directs.

(2) An application under subsection (1) may be made by—

- (a) the LLP,
- (b) any creditor or member of the LLP,
- (c) if the LLP is being wound up, the liquidator, or
- (d) if the LLP is in administration, the administrator.

(3) Every creditor or member of the LLP whose rights are affected by the compromise or arrangement must be permitted to participate in a meeting ordered to be summoned under subsection (1).

(4) But subsection (3) does not apply in relation to a class of creditors or members of the LLP if, on an application under this subsection, the court is satisfied that none of the members of that class has a genuine economic interest in the LLP.

(5) An application under subsection (4) is to be made by the person who made the application under subsection (1) in respect of the compromise or arrangement.

(6) If a corporation (whether or not a company under the meaning of this Act) is a creditor, it may by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at any meeting ordered to be summoned under subsection (1).

(7) A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual creditor.

(8) Where a corporation authorises more than one person, subsection (7) is subject to subsections (9) and (10).



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(9) On a vote on a resolution on a show of hands at a meeting ordered to be summoned under subsection (1), each authorised person has the same voting rights as the corporation would be entitled to.

(10) Where subsection (9) does not apply and more than one authorised person purport to exercise a power under subsection (7) in respect of the same shares—

- (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
- (b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

(11) This section is subject to section 901H (moratorium debts, etc).

### **Statement to be circulated or made available**

**901D.**—(1) Where a meeting is summoned under section 901C—

- (a) every notice summoning the meeting that is sent to a creditor or member must be accompanied by a statement complying with this section, and
- (b) every notice summoning the meeting that is given by advertisement must either—
  - (i) include such a statement, or
  - (ii) state where and how creditors or members entitled to attend the meeting may obtain copies of such a statement.

(2) The statement must—

- (a) explain the effect of the compromise or arrangement, and
- (b) in particular, state—
  - (i) any material interests of the members of the LLP (whether as members or as creditors of the LLP or otherwise), and
  - (ii) the effect on those interests of the compromise or arrangement, in so far as it is different from the effect on the like interests of other persons.

(3) Where the compromise or arrangement affects the rights of debenture holders of the LLP, the statement must give the like explanation as respects the trustees of any deed for securing the issue of the debentures as it is required to give as respects the LLP's members.

(4) Where a notice given by advertisement states that copies of an explanatory statement can be obtained by creditors or members entitled to attend the meeting, every such creditor or member is entitled, on making application in the manner indicated by the notice, to be provided by the LLP with a copy of the statement free of charge.

(5) If an LLP makes default in complying with any requirement of this section, an offence is committed by—

- (a) the LLP, and
- (b) every member of the LLP who is in default.

This is subject to subsection (7).

(6) For this purpose the following are treated as members of the LLP—

- (a) a liquidator or administrator of the LLP, and
- (b) a trustee of a deed for securing the issue of debentures of the LLP.

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(7) A person is not guilty of an offence under this section if the person shows that the default was due to the refusal of a member or trustee for debenture holders to supply the necessary particulars of the member's or (as the case may be) the trustee's interests.

(8) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction in England and Wales, to a fine;
- (c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.

### **Duty of members and trustees to provide information**

**901E.**—(1) It is the duty of—

- (a) any member of the LLP, and
- (b) any trustee for its debenture holders,

to give notice to the LLP of such matters relating to that member or trustee as may be necessary for the purposes of section 901D (explanatory statement to be circulated or made available).

(2) Any person who makes default in complying with this section commits an offence.

(3) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

### **Court sanction for compromise or arrangement**

**901F.**—(1) If a number representing 75% in value of the creditors or class of creditors or members or class of members (as the case may be), present and voting either in person or by proxy at the meeting summoned under section 901C, agree a compromise or arrangement, the court may, on an application under this section, sanction the compromise or arrangement.

(2) Subsection (1) is subject to—

- (a) section 901G (sanction for compromise or arrangement where one or more classes dissent), and
- (b) section 901H (moratorium debts, etc).

(3) An application under this section may be made by—

- (a) the LLP,
- (b) any creditor or member of the LLP,
- (c) if the LLP is being wound up, the liquidator, or
- (d) if the LLP is in administration, the administrator.

(4) Where the court makes an order under this section in relation to an LLP that is in administration or is being wound up, the court may by the order—

- (a) provide for the appointment of the administrator or liquidator to cease to have effect;
- (b) stay or sist all proceedings in the administration or the winding up;

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- (c) impose any requirements with respect to the conduct of the administration or the winding up which the court thinks appropriate for facilitating the compromise or arrangement.
- (5) A compromise or arrangement sanctioned by the court is binding—
  - (a) on all creditors or the class of creditors or on the members or class of members (as the case may be), and
  - (b) on the LLP or, in the case of an LLP in the course of being wound up, the liquidator and contributories of the LLP.
- (6) The court’s order has no effect until a copy of it has been delivered to the registrar.

**Sanction for compromise or arrangement where one or more classes dissent**

**901G.**—(1) This section applies if the compromise or arrangement is not agreed by a number representing at least 75% in value of a class of creditors or (as the case may be) of members of the LLP (“the dissenting class”), present and voting either in person or by proxy at the meeting summoned under section 901C.

(2) If conditions A and B are met, the fact that the dissenting class has not agreed the compromise or arrangement does not prevent the court from sanctioning it under section 901F.

(3) Condition A is that the court is satisfied that, if the compromise or arrangement were to be sanctioned under section 901F, none of the members of the dissenting class would be any worse off than they would be in the event of the relevant alternative (see subsection (4)).

(4) For the purposes of this section “the relevant alternative” is whatever the court considers would be most likely to occur in relation to the LLP if the compromise or arrangement were not sanctioned under section 901F.

(5) Condition B is that the compromise or arrangement has been agreed by a number representing 75% in value of a class of creditors or (as the case may be) of members, present and voting either in person or by proxy at the meeting summoned under section 901C, who would receive a payment, or have a genuine economic interest in the LLP, in the event of the relevant alternative.

(6) The Secretary of State may by regulations amend this section for the purpose of—

- (a) adding to the conditions that must be met for the purposes of this section;
- (b) removing or varying any of those conditions.

(7) Regulations under subsection (6) are subject to affirmative resolution procedure.

**Moratorium debts, etc**

**901H.**—(1) This section applies where—

- (a) an application under section 901C(1) in respect of a compromise or arrangement is made before the end of the period of 12 weeks beginning with the day after the end of any moratorium for the LLP under Part A1 of the Insolvency Act 1986 or Part 1A of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I.19)), and

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- (b) the creditors with whom the compromise or arrangement is proposed include any relevant creditors (see subsection (2)).
- (2) In this section “relevant creditor” means—
  - (a) a creditor in respect of a moratorium debt, or
  - (b) a creditor in respect of a priority pre-moratorium debt.
- (3) The relevant creditors may not participate in the meeting summoned under section 901C.
- (4) For the purposes of section 901D (statement to be circulated or made available)—
  - (a) the requirement in section 901D(1)(a) is to be read as including a requirement to send each relevant creditor a statement complying with section 901D;
  - (b) any reference to creditors entitled to attend the meeting summoned under section 901C includes a reference to relevant creditors.
- (5) The court may not sanction the compromise or arrangement under section 901F if it includes provision in respect of any relevant creditor who has not agreed to it.
- (6) In this section—
  - “moratorium debt”—
    - (a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;
    - (b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order;
  - “priority pre-moratorium debt”—
    - (a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;
    - (b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order.

### **Pension schemes**

**901I.**—(1) In a case where the LLP in respect of which a compromise or arrangement is proposed is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, any notice or other document required to be sent to a creditor of the LLP must also be sent to the Pensions Regulator.

(2) In a case where the LLP in respect of which a compromise or arrangement is proposed is an employer in respect of an eligible scheme, any notice or other document required to be sent to a creditor of the LLP must also be sent to the Board of the Pension Protection Fund (“the Board”).

- (3) The Secretary of State may by regulations provide that, in a case where—
  - (a) the LLP in respect of which a compromise or arrangement is proposed is an employer in respect of an eligible scheme, and
  - (b) the trustees or managers of the scheme are a creditor of the LLP,

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the Board may exercise any rights, or any rights of a specified description, that are exercisable under this Part by the trustees or managers as a creditor of the LLP.

(4) Regulations under this section may provide that the Board may exercise any such rights—

- (a) to the exclusion of the trustees or managers of the scheme, or
- (b) in addition to the exercise of those rights by the trustees or managers of the scheme.

(5) Regulations under this section—

- (a) may specify conditions that must be met before the Board may exercise any such rights;
- (b) may provide for any such rights to be exercisable by the Board for a specified period;
- (c) may make provision in connection with any such rights ceasing to be so exercisable at the end of such a period.

(6) Regulations under this section are subject to affirmative resolution procedure (but see subsection (7)).

(7) During the period of six months beginning with the day on which this section comes into force, regulations under this section are subject to approval after being made (and subsection (6) does not apply).

(8) For the purposes of subsection (7), section 1291 has effect as if any reference in that section to a period of 28 days were to a period of 40 days.

(9) In this section—

“eligible scheme” means any pension scheme that is an eligible scheme for the purposes of section 126 of the Pensions Act 2004 or Article 110 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1));

“employer”—

- (a) in subsection (1), means an employer within the meaning of section 318(1) of the Pensions Act 2004 or Article 2(2) of the Pensions (Northern Ireland) Order 2005;
- (b) in subsections (2) and (3)—
  - (i) in the case of a pension scheme that is an eligible scheme for the purposes of section 126 of the Pensions Act 2004, has the same meaning as it has for the purposes of Part 2 of that Act (see section 318(1) and (4) of that Act);
  - (ii) in the case of a pension scheme that is an eligible scheme for the purposes of Article 110 of the Pensions (Northern Ireland) Order 2005, has the same meaning as it has for the purposes of Part 3 of that Order (see Article 2(2) and (5) of that Order);

“money purchase scheme” means a pension scheme that is a money purchase scheme for the purposes of the Pension Schemes Act 1993 (see section 181(1) of that Act) or the Pension Schemes (Northern Ireland) Act 1993 (see section 176(1) of that Act);

“occupational pension scheme” and “pension scheme” have the meaning given by section 1 of the Pension Schemes Act 1993;

“specified” means specified in regulations under this section.

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### **Powers of court to facilitate reconstruction or amalgamation**

**901J.**—(1) This section applies where application is made to the court under section 901F to sanction a compromise or arrangement and it is shown that—

- (a) the compromise or arrangement is proposed in connection with a scheme for the reconstruction of any LLP or LLPs, or the amalgamation of any two or more relevant bodies corporate (where one or more of them is an LLP), and
- (b) under the scheme the whole or any part of the undertaking or the property of any LLP concerned in the scheme (a “transferor LLP”) is to be transferred to another relevant body corporate (“the transferee body corporate”).

(2) The court may, either by the order sanctioning the compromise or arrangement or by a subsequent order, make provision for all or any of the following matters—

- (a) the transfer to the transferee body corporate of the whole or any part of the undertaking and of the property or liabilities of any transferor LLP;
- (b) the allotting or appropriation by the transferee body corporate of any shares, debentures, policies or other like interests in that body corporate which under the compromise or arrangement are to be allotted or appropriated by that body corporate to or for any person;
- (c) the continuation by or against the transferee body corporate of any legal proceedings pending by or against any transferor LLP;
- (d) the dissolution, without winding up, of any transferor LLP;
- (e) the provision to be made for any persons who, within such time and in such manner as the court directs, dissent from the compromise or arrangement;
- (f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation is fully and effectively carried out.

(3) If an order under this section provides for the transfer of property or liabilities—

- (a) the property is by virtue of the order transferred to, and vests in, the transferee body corporate, and
- (b) the liabilities are, by virtue of the order, transferred to and become liabilities of that body corporate.

(4) The property (if the order so directs) vests freed from any charge that is by virtue of the compromise or arrangement to cease to have effect.

(5) In this section—

“relevant body corporate” means an LLP or a company;

“property” includes property, rights and powers of every description; and

“liabilities” includes duties.

(6) Every body corporate in relation to which an order is made under this section must cause a copy of the order to be delivered to the registrar within seven days after its making.

(7) If default is made in complying with subsection (6) an offence is committed by—

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- (a) the LLP, and every member of the LLP who is in default, and
- (b) the company, and every officer of the company who is in default.

(8) A person guilty of an offence under subsection (7) is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.””

4.—(1) Regulation 51 (voluntary striking off) is amended as follows.

(2) In the text of section 1005 (circumstances in which application not to be made: proceedings pending) as applied to limited liability partnerships, in subsection (1)(a), after “Part 26” insert “or 26A”.

(3) In the text of section 1009 (circumstances in which application to be withdrawn) as applied to limited liability partnerships, in subsection (1)(b), after “Part 26” insert “or 26A”.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Corporate Insolvency and Governance Act 2020 (c. 12) (“the 2020 Act”) makes provision for new measures designed to help UK companies avoid insolvency. These Regulations make provision relating to the application of those measures to limited liability partnerships (“LLPs”). They replace the Limited Liability Partnerships (Amendment etc.) Regulations 2020 which are revoked by this instrument.

The Limited Liability Partnerships Regulations 2001 (S.I. 2001/1090) (“the 2001 Regulations”) apply the provisions of the Insolvency Act 1986 (c. 45) (“the 1986 Act”) to LLPs registered in Great Britain. The Limited Liability Partnership Regulations (Northern Ireland) 2004 (S.I. 2004/307) (“the 2004 Regulations”) do likewise for LLPs registered in Northern Ireland, applying the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I.19)) (“the 1989 Order”). The provisions applied to LLPs by those enactments include new Part A1 of the 1986 Act and new Part 1A of the 1989 Order, which both were inserted by the 2020 Act and provide for a general moratorium which allows companies in financial distress a breathing space in which to explore rescue and restructuring options free from creditor action.

Regulation 3 introduces Schedule 1, which makes amendments to the modifications to the 1986 Act as it applies to LLPs contained in Schedule 3 to the 2001 Regulations. Schedule 1 inserts the appropriate modifications to Part A1 of the 1986 Act as it applies to LLPs and makes consequential amendments to other modifications contained in Schedule 3.

Regulation 4 introduces Schedule 2, which does the same for the 2004 Regulations and the 1989 Order.

The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 (S.I. 2009/1804) (“the 2009 Regulations”) apply certain provisions of the Companies Act 2006 (c. 46) (“the 2006 Act”) to LLPs.

Regulation 5 introduces Schedule 3, which makes amendments to the 2009 Regulations to apply new Part 26A of the 2006 Act to LLPs with appropriate modifications and makes consequential amendments following amendments made to the 2006 Act by the 2020 Act. Part 26A of the 2006

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Act was inserted by the 2020 Act to allow struggling companies, or their creditors or members, to propose a new restructuring plan proposal between the company and its creditors and/or members.

Regulations 6 and 7 apply the temporary provision contained in Schedules 4 and 8 to the 2020 Act to LLPs. This provision makes temporary modifications to moratoriums in light of the Covid-19 pandemic.

No specific impact assessment has been prepared for this instrument as the effects of the relevant insolvency measures being applied to LLPs are covered by the impact assessment published alongside the Corporate and Insolvency Act 2020. An Explanatory Memorandum is published alongside this instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).