

*Status: Point in time view as at 01/01/2006.*

*Changes to legislation: There are currently no known outstanding effects for the Limited Liability Partnerships Act (Northern Ireland) 2002 (repealed). (See end of Document for details)*



# Limited Liability Partnerships Act (Northern Ireland) 2002

2002 CHAPTER 12

An Act to make provision for limited liability partnerships. [22nd November 2002]

## *Introductory*

### **Limited liability partnerships**

1.—(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.

In paragraph (b) “enactment” has the meaning given in section 1(b) of the Interpretation Act (Northern Ireland) 1954 (c. 33).

(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 statutory provision, 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) shall have effect.

### *Incorporation*

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

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

- (a) 2 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) there must have been delivered to the registrar either the incorporation document or a copy authenticated in a manner approved by him, and
- (c) there must have been so delivered a statement in a form approved by the registrar, 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) be in a form approved by the registrar (or as near to such a form as circumstances allow),
- (b) state the name of the limited liability partnership,
- (c) state that the registered office of the limited liability partnership is to be situated in Northern Ireland,
- (d) state the address of that registered office,
- (e) state the name and address 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.

(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 6 months or a fine not exceeding the statutory maximum, or to both, or

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- (b) on conviction on indictment, to imprisonment for a period not exceeding 2 years or a fine, or to both.

### **Incorporation by registration**

3.—(1) When the requirements imposed by paragraphs (b) and (c) of subsection (1) of section 2 have been complied with, the registrar shall retain the incorporation document or copy delivered to him and, unless the requirement imposed by paragraph (a) of that subsection has not been complied with, he shall—

- (a) register the incorporation document or copy, and  
(b) give a certificate that the limited liability partnership is incorporated by the name specified in the incorporation document.

(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*

#### **Members**

4.—(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.

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

**5.—**(1) Except as far as otherwise provided by this Act or any other statutory provision, 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 11(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).

### **Members as agents**

**6.—**(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.

### **Ex-members**

7.—(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 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.

### **Designated members**

8.—(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) A notice delivered under subsection (4)—
  - (a) shall be in a form approved by the registrar, and
  - (b) shall be signed by a designated member of the limited liability partnership or authenticated in a manner approved by the registrar.
- (6) A person ceases to be a designated member if he ceases to be a member.

### **Registration of membership changes**

- 9.—**(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 14 days, and
  - (b) where there is any change in the name or address of a member, notice is delivered to the registrar within 28 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)—
- (a) shall be in a form approved by the registrar, and
  - (b) shall be signed by a designated member of the limited liability partnership or authenticated in a manner approved by the registrar,

and, if it relates to a person becoming a member or designated member, shall contain a statement that he consents to becoming a member or designated member signed by him or authenticated in a manner approved by the registrar.

(4) If a limited liability partnership fails to comply with subsection (1), 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 subsection (1) 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*

### **Insolvency and winding up**

**10.—**(1) Regulations shall make provision about the insolvency and winding up of limited liability partnerships by applying or incorporating, with such

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modifications as appear appropriate, Parts II to V, VII and VIII of the Insolvency (Northern Ireland) Order 1989 (NI 19).

(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 oversea 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 “oversea limited liability partnership” means a body incorporated or otherwise established outside Northern Ireland and having such connection with Northern Ireland, and such other features, as regulations may prescribe.

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

**11.** Regulations may make provision about limited liability partnerships and oversea 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.

#### **Consequential amendments**

**12.—(1)** Regulations may make in any statutory provision 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.

#### **General**

**13.—(1)** In this Act “regulations” means regulations made by the Department.

- (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 regulations (whether or not together with other provisions) has been laid before, and approved by a resolution of, the Assembly.
- (5) Subsection (4) applies to—
- (a) regulations under section 10(2) not consisting entirely of the application or incorporation (with or without modifications) of provisions contained in or made under the Insolvency (Northern Ireland) Order 1989 (NI 19),
  - (b) regulations under section 11 not consisting entirely of the application or incorporation (with or without modifications) of provisions contained in or made under Part I, Part II, Chapter VIII of Part VI, Part VIII, Parts XII to XIV, Part XVII, Part XVIII, Part XX, Part XXIV or Part XXV of the Companies (Northern Ireland) Order 1986 (NI 6),
  - (c) regulations under section 10 or 11 making provision about overseas limited liability partnerships, and
  - (d) regulations under section 12.
- (6) A statutory rule containing regulations under this Act shall (unless a draft of it has been approved by a resolution of the Assembly) be subject to negative resolution.

### *Supplementary*

#### **Interpretation**

**14.** In this Act—

“address”, in relation to a member of a limited liability partnership, means—

- (a) if an individual, his usual residential address, and
- (b) if a corporation, its registered or principal office;

“business” includes every trade, profession and occupation;

“the Department” means the Department of Enterprise, Trade and Investment;



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- “designated member” shall be construed in accordance with section 8;
- “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, its corporate name;
- “oversea limited liability partnership” has the meaning given by section 10(3);
- “the registrar” means the registrar of companies appointed under Article 653 of the Companies (Northern Ireland) Order 1986 (NI 6) and includes for the purposes of this Act, an assistant registrar;
- “regulations” has the meaning given by section 13(1);
- “statutory provision” has the meaning given in section 1(f) of the Interpretation Act (Northern Ireland) 1954 (c. 33).

### **Commencement**

**15.**—(1) The preceding provisions of this Act shall come into operation on such day or days as the Department may by order appoint<sup>F1</sup>.

(2) The Department may by order make any transitional provisions and savings which appear appropriate in connection with the coming into operation of any provision of this Act.

<b>F1</b> fully exercised SR 2004/306
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### **Short title**

**16.** This Act may be cited as the Limited Liability Partnerships Act (Northern Ireland) 2002.

## SCHEDULE

Section 1(6).

## NAMES AND REGISTERED OFFICES

## PART I

## NAMES

*Index of names*

1. In Article 663(1) of the Companies (Northern Ireland) Order 1986 (NI 6) (index of names), after sub-paragraph (d) insert—

- “(da) limited liability partnerships incorporated under the Limited Liability Partnerships Act (Northern Ireland) 2002,” .

*Name to indicate status*

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

- (a) the expression “limited liability partnership”, or
- (b) the abbreviation “llp” or “LLP”.

*Registration of names*

3.—(1) A limited liability partnership shall not be registered by a name—

- (a) which includes, otherwise than at the end of the name, the expression “limited liability partnership” or either of the abbreviations “llp” and “LLP”,
- (b) which is the same as a name appearing in the index kept under Article 663(1) of the Companies (Northern Ireland) Order 1986 (NI 6),
- (c) the use of which by the limited liability partnership would in the opinion of the Department constitute a criminal offence, or
- (d) which in the opinion of the Department is offensive.

(2) Except with the approval of the Department, a limited liability partnership shall not be registered by a name which—

- (a) in the opinion of the Department would be likely to give the impression that it is connected in any way with a Northern Ireland department or with any district council, or

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- (b) includes any word or expression for the time being specified in regulations under Article 39 of the Companies (Northern Ireland) Order 1986 (names needing approval).

### *Change of name*

- 4.—(1) A limited liability partnership may change its name at any time.
- (2) Where a limited liability partnership has been registered by a name which—
- (a) is the same as or, in the opinion of the Department, too like a name appearing at the time of registration in the index kept under Article 663(1) of the Companies (Northern Ireland) Order 1986, or
  - (b) is the same as or, in the opinion of the Department, too like a name which should have appeared in the index at that time,

the Department may within 12 months of that time in writing direct the limited liability partnership to change its name within such period as the Department may specify.

- (3) If it appears to the Department—
- (a) that misleading information has been given for the purpose of the registration of a limited liability partnership by a particular name, or
  - (b) that undertakings or assurances have been given for that purpose and have not been fulfilled,

the Department may, within 5 years of the date of its registration by that name, in writing direct the limited liability partnership to change its name within such period as the Department may specify.

(4) If in the Department's opinion the name by which a limited liability partnership is registered gives so misleading an indication of the nature of its activities as to be likely to cause harm to the public, the Department may in writing direct the limited liability partnership to change its name within such period as the Department may specify.

(5) But the limited liability partnership may, within 3 weeks from the date of the direction apply to the High Court to set it aside and the Court may set the direction aside or confirm it and, if it confirms it, shall specify the period within which it must be complied with.

(6) Where a direction has been given under sub-paragraph (2), (3) or (4) specifying a period within which a limited liability partnership is to change its name, the Department may at any time before that period ends extend it by a further direction in writing.

(7) If a limited liability partnership fails to comply with a direction under this paragraph—

- (a) the limited liability partnership, and
  - (b) any designated member in default,
- commits an offence.

(8) A person guilty of an offence under sub-paragraph (7) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

#### *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) A notice delivered under sub-paragraph (1)—

- (a) shall be in a form approved by the registrar, and
- (b) shall be signed by a designated member of the limited liability partnership or authenticated in a manner approved by the registrar.

(3) Where the registrar receives a notice under sub-paragraph (2) he shall (unless the new name is one by which a limited liability partnership may not be registered) —

- (a) enter the new name in the index kept under Article 663(1) of the Companies (Northern Ireland) Order 1986 (NI 6), 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
- (b) any contraction or imitation of that expression,

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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.

### *Similarity of names*

**8.** In determining for the purposes of this Part whether one name is the same as another there are to be disregarded—

(1) the definite article as the first word of the name,

(2) any of the following at the end of the name—

“limited liability partnership”,

“company”,

“and company”,

“company limited”,

“and company limited”,

“limited”,

“unlimited”,

“public limited company”,

**F2**

“open-ended investment company”, and

“investment company with variable capital”, and

(3) type and case of letters, accents, spaces between letters and punctuation marks,

and “and” and “&” are to be taken as the same.

<b>F2</b> prosp. insertion by 2005 NI 17
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## PART II

### REGISTERED OFFICES

#### *Situation of registered office*

**9.—(1)** A limited liability partnership shall at all times have a registered office situated in Northern Ireland to which communications and notices may be addressed.

(2) On the incorporation of a limited liability partnership the situation of its registered office shall be that stated in the incorporation document.

#### *Change of registered office*

**10.—(1)** A limited liability partnership may change its registered office by delivering notice of the change to the registrar.

(2) A notice delivered under sub-paragraph (1)—

- (a) shall be in a form approved by the registrar, and
- (b) shall be signed by a designated member of the limited liability partnership or authenticated in a manner approved by the registrar.

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