



2002 CHAPTER 12

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,

Status: This is the original version (as it was originally enacted).

- (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.