
DRAFT STATUTORY INSTRUMENTS

2009 No.

**The Limited Liability Partnerships (Application
of Companies Act 2006) Regulations 2009**

PART 9

LLP CHARGES

CHAPTER 1

LLPS REGISTERED IN ENGLAND AND WALES OR IN NORTHERN IRELAND

Requirement to register LLP charges

32. Sections 860 to 862 apply to LLPs, modified so that they read as follows—

“Charges created by an LLP

860.—(1) An LLP that creates a charge to which this section applies must deliver the required particulars of the charge, together with the instrument (if any) by which the charge is created or evidenced, to the registrar for registration before the end of the period allowed for registration.

(2) The required particulars are those prescribed by regulation 2 of the Companies (Particulars of Company Charges) Regulations 2008 (S.I. 2008/2996).

(3) Registration of a charge to which this section applies may instead be effected on the application of a person interested in it.

(4) Where registration is effected on the application of some person other than the LLP, that person is entitled to recover from the LLP the amount of any fees properly paid by him to the registrar on registration.

(5) If an LLP fails to comply with subsection (1), an offence is committed by—

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

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

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

(7) Subsection (5) does not apply if registration of the charge has been effected on the application of some other person.

(8) This section applies to the following charges—

- (a) a charge on land or any interest in land, other than a charge for any rent or other periodical sum issuing out of land,
- (b) a charge created or evidenced by an instrument which, if executed by an individual, would require registration as a bill of sale,

- (c) a charge for the purposes of securing any issue of debentures,
- (d) a charge on book debts of the LLP,
- (e) a floating charge on the LLP's property or undertaking,
- (f) a charge on a ship or aircraft, or any share in a ship,
- (g) a charge on goodwill or on any intellectual property.

Charges which have to be registered: supplementary

861.—(1) The holding of debentures entitling the holder to a charge on land is not, for the purposes of section 860(8)(a), an interest in the land.

(2) It is immaterial for the purposes of this Chapter where land subject to a charge is situated.

(3) The deposit by way of security of a negotiable instrument given to secure the payment of book debts is not, for the purposes of section 860(8)(d), a charge on those book debts.

(4) For the purposes of section 860(8)(g), “intellectual property” means—

- (a) any patent, trade mark, registered design, copyright or design right;
- (b) any licence under or in respect of any such right.

(5) In this Chapter—

“charge” includes mortgage, and

“LLP” means an LLP registered in England and Wales or in Northern Ireland.

Charges existing on property acquired

862.—(1) This section applies where an LLP acquires property which is subject to a charge of a kind which would, if it had been created by the LLP after the acquisition of the property, have been required to be registered under this Chapter.

(2) The LLP must deliver the required particulars of the charge, together with a certified copy of the instrument (if any) by which the charge is created or evidenced, to the registrar for registration.

(3) The required particulars are those prescribed by regulation 4 of the Companies (Particulars of Company Charges) Regulations 2008 (S.I. 2008/2996).

(4) Subsection (2) must be complied with before the end of the period allowed for registration.

(5) If default is made in complying with this section, an offence is committed by—

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

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

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.”.

Special rules about debentures

33. Sections 863 to 865 apply to LLPs, modified so that they read as follows—

“Charge in series of debentures

863.—(1) Where a series of debentures containing, or giving by reference to another instrument, any charge to the benefit of which debenture holders of that series are entitled *pari passu* is created by an LLP, it is for the purposes of section 860(1) sufficient if the required particulars, together with the deed containing the charge (or, if there is no such deed, one of the debentures of the series), are delivered to the registrar before the end of the period allowed for registration.

(2) The following are the required particulars—

- (a) the total amount secured by the whole series, and
- (b) the dates of the determinations of the LLP authorising the issue of the series and the date of the covering deed (if any) by which the series is created or defined, and
- (c) a general description of the property charged, and
- (d) the names of the trustees (if any) for the debenture holders.

(3) Particulars of the date and amount of each issue of debentures of a series of the kind mentioned in subsection (1) must be sent to the registrar for entry in the register of charges.

(4) Failure to comply with subsection (3) does not affect the validity of the debentures issued.

(5) Subsections (3) to (7) of section 860 apply for the purposes of this section as they apply for the purposes of that section, but as if references to the registration of a charge were references to the registration of a series of debentures.

Additional registration requirement for commission etc in relation to debentures

864.—(1) Where any commission, allowance or discount has been paid or made either directly or indirectly by an LLP to a person in consideration of his—

- (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, for debentures in an LLP, or
- (b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for such debentures,

the particulars required to be sent for registration under section 860 shall include particulars as to the amount or rate per cent. of the commission, discount or allowance so paid or made.

(2) The deposit of debentures as security for a debt of the LLP is not, for the purposes of this section, treated as the issue of debentures at a discount.

(3) Failure to comply with this section does not affect the validity of the debentures issued.

Endorsement of certificate on debentures

865.—(1) The LLP shall cause a copy of every certificate of registration given under section 869 to be endorsed on every debenture or certificate of debenture stock which is issued by the LLP, and the payment of which is secured by the charge so registered.

(2) But this does not require an LLP to cause a certificate of registration of any charge so given to be endorsed on any debenture or certificate of debenture stock issued by the LLP before the charge was created.

(3) If a person knowingly and wilfully authorises or permits the delivery of a debenture or certificate of debenture stock which under this section is required to have endorsed on it a copy of a certificate of registration, without the copy being so endorsed upon it, he commits an offence.

(4) 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.”.

Charges in other jurisdictions

34. Sections 866 and 867 apply to LLPs, modified so that they read as follows—

“Charges created in, or over property in, jurisdictions outside the United Kingdom

866.—(1) Where a charge is created outside the United Kingdom comprising property situated outside the United Kingdom, the delivery to the registrar of a verified copy of the instrument by which the charge is created or evidenced has the same effect for the purposes of this Chapter as the delivery of the instrument itself.

(2) Where a charge is created in the United Kingdom but comprises property outside the United Kingdom, the instrument creating or purporting to create the charge may be sent for registration under section 860 even if further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated.

Charges created in, or over property in, another United Kingdom jurisdiction

867.—(1) Subsection (2) applies where—

- (a) a charge comprises property situated in a part of the United Kingdom other than the part in which the LLP is registered, and
- (b) registration in that other part is necessary to make the charge valid or effectual under the law of that part of the United Kingdom.

(2) The delivery to the registrar of a verified copy of the instrument by which the charge is created or evidenced, together with a certificate stating that the charge was presented for registration in that other part of the United Kingdom on the date on which it was so presented has, for the purposes of this Chapter, the same effect as the delivery of the instrument itself.”.

Orders charging land: Northern Ireland

35. Section 868 applies to LLPs, modified so that it reads as follows—

“Northern Ireland: registration of certain charges etc affecting land

868.—(1) Where a charge imposed by an order under Article 46 of the 1981 Order or notice of such a charge is registered in the Land Registry against registered land or any estate in registered land of an LLP, the Registrar of Titles shall as soon as may be cause two copies of the order made under Article 46 of that Order or of any notice under Article 48 of that Order to be delivered to the registrar.

(2) Where a charge imposed by an order under Article 46 of the 1981 Order is registered in the Registry of Deeds against any unregistered land or estate in land of an LLP, the Registrar of Deeds shall as soon as may be cause two copies of the order to be delivered to the registrar.

(3) On delivery of copies under this section, the registrar shall—

- (a) register one of them in accordance with section 869, and
- (b) not later than 7 days from that date of delivery, cause the other copy together with a certificate of registration under section 869(5) to be sent to the LLP against which judgment was given.

(4) Where a charge to which subsection (1) or (2) applies is vacated, the Registrar of Titles or, as the case may be, the Registrar of Deeds shall cause a certified copy of the certificate of satisfaction lodged under Article 132(1) of the 1981 Order to be delivered to the registrar for entry of a memorandum of satisfaction in accordance with section 872.

(5) In this section—

“the 1981 Order” means the Judgments Enforcement (Northern Ireland) Order 1981 (S.I. 1981/226 (N.I.6));

“the Registrar of Deeds” means the registrar appointed under the Registration of Deeds Act (Northern Ireland) 1970 (c. 25);

“Registry of Deeds” has the same meaning as in the Registration of Deeds Acts;

“Registration of Deeds Acts” means the Registration of Deeds Act (Northern Ireland) 1970 and every statutory provision for the time being in force amending that Act or otherwise relating to the registry of deeds, or the registration of deeds, orders or other instruments or documents in such registry;

“the Land Registry” and “the Registrar of Titles” are to be construed in accordance with section 1 of the Land Registration Act (Northern Ireland) 1970 (c. 18);

“registered land” and “unregistered land” have the same meaning as in Part 3 of the Land Registration Act (Northern Ireland) 1970.”

The register of charges

36. Sections 869 to 873 apply to LLPs, modified so that they read as follows—

“Register of charges to be kept by registrar

869.—(1) The registrar shall keep, with respect to each LLP, a register of all the charges requiring registration under this Chapter.

(2) In the case of a charge to the benefit of which holders of a series of debentures are entitled, the registrar shall enter in the register the required particulars specified in section 863(2).

(3) In the case of a charge imposed by the Enforcement of Judgments Office under Article 46 of the Judgments Enforcement (Northern Ireland) Order 1981, the registrar shall enter in the register the date on which the charge became effective.

(4) In the case of any other charge, the registrar shall enter in the register the following particulars—

- (a) if it is a charge created by an LLP, the date of its creation and, if it is a charge which was existing on property acquired by the LLP, the date of the acquisition,
- (b) the amount secured by the charge,
- (c) short particulars of the property charged, and
- (d) the persons entitled to the charge.

(5) The registrar shall give a certificate of the registration of any charge registered in pursuance of this Chapter, stating the amount secured by the charge.

(6) The certificate—

- (a) shall be signed by the registrar or authenticated by the registrar’s official seal⁽¹⁾, and

(1) See section 1062 of the Companies Act 2006 (the registrar’s official seal).

- (b) is conclusive evidence that the requirements of this Chapter as to registration have been satisfied.
- (7) The register kept in pursuance of this section shall be open to inspection by any person.

The period allowed for registration

- 870.**—(1) The period allowed for registration of a charge created by an LLP is—
- (a) 21 days beginning with the day after the day on which the charge is created, or
 - (b) if the charge is created outside the United Kingdom, 21 days beginning with the day after the day on which the instrument by which the charge is created or evidenced (or a copy of it) could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (2) The period allowed for registration of a charge to which property acquired by an LLP is subject is—
- (a) 21 days beginning with the day after the day on which the acquisition is completed, or
 - (b) if the property is situated and the charge was created outside the United Kingdom, 21 days beginning with the day after the day on which the instrument by which the charge is created or evidenced (or a copy of it) could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (3) The period allowed for registration of particulars of a series of debentures as a result of section 863 is—
- (a) if there is a deed containing the charge mentioned in section 863(1), 21 days beginning with the day after the day on which that deed is executed, or
 - (b) if there is no such deed, 21 days beginning with the day after the day on which the first debenture of the series is executed.

Registration of enforcement of security

- 871.**—(1) If a person obtains an order for the appointment of a receiver or manager of an LLP's property, or appoints such a receiver or manager under powers contained in an instrument, he shall within 7 days of the order or of the appointment under those powers, give notice of the fact to the registrar.
- (2) Where a person appointed receiver or manager of an LLP's property under powers contained in an instrument ceases to act as such receiver or manager, he shall, on so ceasing, give the registrar notice to that effect.
- (3) The registrar must enter a fact of which he is given notice under this section in the register of charges.
- (4) A person who makes default in complying with the requirements of this section commits an offence.
- (5) 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 and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

Entries of satisfaction and release

- 872.**—(1) Subsection (2) applies if a statement is delivered to the registrar verifying with respect to a registered charge—

- (a) that the debt for which the charge was given has been paid or satisfied in whole or in part, or
 - (b) that part of the property or undertaking charged has been released from the charge or has ceased to form part of the LLP's property or undertaking.
- (2) The registrar may enter on the register a memorandum of satisfaction in whole or in part, or of the fact part of the property or undertaking has been released from the charge or has ceased to form part of the LLP's property or undertaking (as the case may be).
- (3) Where the registrar enters a memorandum of satisfaction in whole, the registrar shall if required send the LLP a copy of it.

Rectification of register of charges

873.—(1) Subsection (2) applies if the court is satisfied—

- (a) that the failure to register a charge before the end of the period allowed for registration, or the omission or mis-statement of any particular with respect to any such charge or in a memorandum of satisfaction—
 - (i) was accidental or due to inadvertence or to some other sufficient cause, or
 - (ii) is not of a nature to prejudice the position of creditors of the LLP, or
- (b) that on other grounds it is just and equitable to grant relief.

(2) The court may, on the application of the LLP or a person interested, and on such terms and conditions as seem to the court just and expedient, order that the period allowed for registration shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.”.

Avoidance of certain charges

37. Section 874 applies to LLPs, modified so that it reads as follows—

“Consequence of failure to register charges created by an LLP

874.—(1) If an LLP creates a charge to which section 860 applies, the charge is void (so far as any security on the LLP's property or undertaking is conferred by it) against—

- (a) a liquidator of the LLP,
- (b) an administrator of the LLP, and
- (c) a creditor of the LLP,

unless that section is complied with.

(2) Subsection (1) is subject to the provisions of this Chapter.

(3) Subsection (1) is without prejudice to any contract or obligation for repayment of the money secured by the charge; and when a charge becomes void under this section, the money secured by it immediately becomes payable.”.

LLPs' records and registers

38. Sections 875 to 877 apply to LLPs, modified so that they read as follows—

“LLPs to keep copies of instruments creating charges

875.—(1) An LLP must keep available for inspection a copy of every instrument creating a charge requiring registration under this Chapter, including any document delivered to the LLP under section 868(3)(b) (Northern Ireland: orders imposing charges affecting land).

(2) In the case of a series of uniform debentures, a copy of one of the debentures of the series is sufficient.

LLP’s register of charges

876.—(1) Every LLP shall keep available for inspection a register of charges and enter in it—

- (a) all charges specifically affecting property of the LLP, and
- (b) all floating charges on the whole or part of the LLP’s property or undertaking.

(2) The entry shall in each case give a short description of the property charged, the amount of the charge and, except in the cases of securities to bearer, the names of the persons entitled to it.

(3) If a member of the LLP knowingly and wilfully authorises or permits the omission of an entry required to be made in pursuance of this section, he commits an offence.

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

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

Instruments creating charges and register of charges to be available for inspection

877.—(1) This section applies to—

- (a) documents required to be kept available for inspection under section 875 (copies of instruments creating charges), and
- (b) an LLP’s register of charges kept in pursuance of section 876.

(2) The documents and register must be kept available for inspection—

- (a) at the LLP’s registered office, or
- (b) at a place specified in Part 2 of the Companies (Company Records) Regulations 2008 (S.I. 2008/3006).

(3) The LLP must give notice to the registrar—

- (a) of the place at which the documents and register are kept available for inspection, and
- (b) of any change in that place,

unless they have at all times been kept at the LLP’s registered office.

(4) The documents and register shall be open to the inspection—

- (a) of any creditor or member of the LLP without charge, and
- (b) of any other person on payment of the fee prescribed by regulation 2(c) of the Companies (Fees for Inspection of Company Records) Regulations 2008 (S.I. 2008/3007).

(5) If default is made for 14 days in complying with subsection (3) or an inspection required under subsection (4) is refused, an offence is committed by—

- (a) the LLP, and

(b) every member of the LLP who is in default.

(6) 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 and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(7) If an inspection required under subsection (4) is refused the court may by order compel an immediate inspection.”.

CHAPTER 2

LLPS REGISTERED IN SCOTLAND

Charges requiring registration

39. Sections 878 to 881 apply to LLPs, modified so that they read as follows—

“Charges created by an LLP

878.—(1) An LLP that creates a charge to which this section applies must deliver the required particulars of the charge, together with a copy certified as a correct copy of the instrument (if any) by which the charge is created or evidenced, to the registrar for registration before the end of the period allowed for registration.

(2) The required particulars are those prescribed by regulation 3 of the Companies (Particulars of Company Charges) Regulations 2008 (S.I. 2008/2996).

(3) Registration of a charge to which this section applies may instead be effected on the application of a person interested in it.

(4) Where registration is effected on the application of some person other than the LLP, that person is entitled to recover from the LLP the amount of any fees properly paid by him to the registrar on the registration.

(5) If an LLP fails to comply with subsection (1), an offence is committed by—

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

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

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

(7) Subsection (5) does not apply if registration of the charge has been effected on the application of some other person.

(8) This section applies to the following charges—

- (a) a charge on land or any interest in such land, other than a charge for any rent or other periodical sum payable in respect of the land,
- (b) a security over incorporeal moveable property of any of the following categories—
 - (i) goodwill,
 - (ii) a patent or a licence under a patent,
 - (iii) a trade mark,
 - (iv) a copyright or a licence under a copyright,
 - (v) a registered design or a licence in respect of such a design,
 - (vi) a design right or a licence under a design right, and

- (vii) the book debts (whether book debts of the LLP or assigned to it),
- (c) a security over a ship or aircraft or any share in a ship,
- (d) a floating charge.

Charges which have to be registered: supplementary

879.—(1) A charge on land, for the purposes of section 878(8)(a), includes a charge created by a heritable security within the meaning of section 9(8) of the Conveyancing and Feudal Reform (Scotland) Act 1970 (c. 35).

(2) The holding of debentures entitling the holder to a charge on land is not, for the purposes of section 878(8)(a), deemed to be an interest in land.

(3) It is immaterial for the purposes of this Chapter where land subject to a charge is situated.

(4) The deposit by way of security of a negotiable instrument given to secure the payment of book debts is not, for the purposes of section 878(8)(b)(vii), to be treated as a charge on those book debts.

(5) References in this Chapter to the date of the creation of a charge are—

- (a) in the case of a floating charge, the date on which the instrument creating the floating charge was executed by the LLP creating the charge, and
- (b) in any other case, the date on which the right of the person entitled to the benefit of the charge was constituted as a real right.

(6) In this Chapter “LLP” means an LLP registered in Scotland.

Duty to register charges existing on property acquired

880.—(1) Subsection (2) applies where an LLP acquires any property which is subject to a charge of any kind as would, if it had been created by the LLP after the acquisition of the property, have been required to be registered under this Chapter.

(2) The LLP must deliver the required particulars of the charge, together with a copy (certified to be a correct copy) of the instrument (if any) by which the charge was created or is evidenced, to the registrar for registration before the end of the period allowed for registration.

(3) The required particulars are those prescribed by regulation 4 of the Companies (Particulars of Company Charges) Regulations 2008 (S.I. 2008/2996).

(4) If default is made in complying with this section, an offence is committed by—

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

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

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

Charge by way of ex facie absolute disposition, etc

881.—(1) For the avoidance of doubt, it is hereby declared that, in the case of a charge created by way of an ex facie absolute disposition or assignation qualified by a back letter or other agreement, or by a standard security qualified by an agreement, compliance with

section 878(1) does not of itself render the charge unavailable as security for indebtedness incurred after the date of compliance.

(2) Where the amount secured by a charge so created is purported to be increased by a further back letter or agreement, a further charge is held to have been created by the ex facie absolute disposition or assignation or (as the case may be) by the standard security, as qualified by the further back letter or agreement.

(3) In that case, the provisions of this Chapter apply to the further charge as if—

- (a) references in this Chapter (other than in this section) to a charge were references to the further charge, and
- (b) references to the date of the creation of a charge were references to the date on which the further back letter or agreement was executed.”

Special rules about debentures

40. Sections 882 and 883 apply to LLPs, modified so that they read as follows—

“Charge in series of debentures

882.—(1) Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu*, is created by an LLP, it is sufficient for purposes of section 878 if the required particulars, together with a copy of the deed containing the charge (or, if there is no such deed, of one of the debentures of the series) are delivered to the registrar before the end of the period allowed for registration.

(2) The following are the required particulars—

- (a) the total amount secured by the whole series,
- (b) the dates of the determinations of the LLP authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined,
- (c) a general description of the property charged,
- (d) the names of the trustees (if any) for the debenture-holders, and
- (e) in the case of a floating charge, a statement of any provisions of the charge and of any instrument relating to it which prohibit or restrict or regulate the power of the LLP to grant further securities ranking in priority to, or *pari passu* with, the floating charge, or which vary or otherwise regulate the order of ranking of the floating charge in relation to subsisting securities.

(3) Where more than one issue is made of debentures in the series, particulars of the date and amount of each issue of debentures of the series must be sent to the registrar for entry in the register of charges.

(4) Failure to comply with subsection (3) does not affect the validity of any of those debentures.

(5) Subsections (3) to (7) of section 878 apply for the purposes of this section as they apply for the purposes of that section but as if for the reference to the registration of the charge there was substituted a reference to the registration of the series of debentures.

Additional registration requirement for commission etc in relation to debentures

883.—(1) Where any commission, allowance or discount has been paid or made either directly or indirectly by an LLP to a person in consideration of his—

- (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, for debentures in an LLP, or
- (b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for such debentures,

the particulars required to be sent for registration under section 878 shall include particulars as to the amount or rate per cent. of the commission, discount or allowance so paid or made.

(2) The deposit of debentures as security for a debt of the LLP is not, for the purposes of this section, treated as the issue of debentures at a discount.

(3) Failure to comply with this section does not affect the validity of the debentures issued.”.

Charges on property outside the United Kingdom

41. Section 884 applies to LLPs, modified so that it reads as follows—

“Charges on property outside United Kingdom

884. Where a charge is created in the United Kingdom but comprises property outside the United Kingdom, the copy of the instrument creating or purporting to create the charge may be sent for registration under section 878 even if further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated.”.

The register of charges

42. Sections 885 to 888 apply to LLPs, modified so that they read as follows—

“Register of charges to be kept by registrar

885.—(1) The registrar shall keep, with respect to each LLP, a register of all the charges requiring registration under this Chapter.

(2) In the case of a charge to the benefit of which holders of a series of debentures are entitled, the registrar shall enter in the register the required particulars specified in section 882(2).

(3) In the case of any other charge, the registrar shall enter in the register the following particulars—

- (a) if it is a charge created by an LLP, the date of its creation and, if it is a charge which was existing on property acquired by the LLP, the date of the acquisition,
- (b) the amount secured by the charge,
- (c) short particulars of the property charged,
- (d) the persons entitled to the charge, and
- (e) in the case of a floating charge, a statement of any of the provisions of the charge and of any instrument relating to it which prohibit or restrict or regulate the LLP’s power to grant further securities ranking in priority to, or *pari passu* with, the floating charge, or which vary or otherwise regulate the order of ranking of the floating charge in relation to subsisting securities.

(4) The registrar shall give a certificate of the registration of any charge registered in pursuance of this Chapter, stating—

- (a) the name of the LLP and the person first-named in the charge among those entitled to the benefit of the charge (or, in the case of a series of debentures, the name of the holder of the first such debenture issued), and
 - (b) the amount secured by the charge.
- (5) The certificate—
- (a) shall be signed by the registrar or authenticated by the registrar’s official seal, and
 - (b) is conclusive evidence that the requirements of this Chapter as to registration have been satisfied.
- (6) The register kept in pursuance of this section shall be open to inspection by any person.

The period allowed for registration

- 886.**—(1) The period allowed for registration of a charge created by an LLP is—
- (a) 21 days beginning with the day after the day on which the charge is created, or
 - (b) if the charge is created outside the United Kingdom, 21 days beginning with the day after the day on which a copy of the instrument by which the charge is created or evidenced could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (2) The period allowed for registration of a charge to which property acquired by an LLP is subject is—
- (a) 21 days beginning with the day after the day on which the transaction is settled, or
 - (b) if the property is situated and the charge was created outside the United Kingdom, 21 days beginning with the day after the day on which a copy of the instrument by which the charge is created or evidenced could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (3) The period allowed for registration of particulars of a series of debentures as a result of section 882 is—
- (a) if there is a deed containing the charge mentioned in section 882(1), 21 days beginning with the day after the day on which that deed is executed, or
 - (b) if there is no such deed, 21 days beginning with the day after the day on which the first debenture of the series is executed.

Entries of satisfaction and relief

- 887.**—(1) Subsection (2) applies if a statement is delivered to the registrar verifying with respect to any registered charge—
- (a) that the debt for which the charge was given has been paid or satisfied in whole or in part, or
 - (b) that part of the property charged has been released from the charge or has ceased to form part of the LLP’s property.
- (2) If the charge is a floating charge, the statement must be accompanied by either—
- (a) a statement by the creditor entitled to the benefit of the charge, or a person authorised by him for the purpose, verifying that the statement mentioned in subsection (1) is correct, or

- (b) a direction obtained from the court, on the ground that the statement by the creditor mentioned in paragraph (a) could not be readily obtained, dispensing with the need for that statement.
- (3) The registrar may enter on the register a memorandum of satisfaction (in whole or in part) regarding the fact contained in the statement mentioned in subsection (1).
- (4) Where the registrar enters a memorandum of satisfaction in whole, he shall, if required, furnish the LLP with a copy of the memorandum.
- (5) Nothing in this section requires the LLP to submit particulars with respect to the entry in the register of a memorandum of satisfaction where the LLP, having created a floating charge over all or any part of its property, disposes of part of the property subject to the floating charge.

Rectification of register of charges

888.—(1) Subsection (2) applies if the court is satisfied—

- (a) that the failure to register a charge before the end of the period allowed for registration, or the omission or mis-statement of any particular with respect to any such charge or in a memorandum of satisfaction—
 - (i) was accidental or due to inadvertence or to some other sufficient cause, or
 - (ii) is not of a nature to prejudice the position of creditors of the LLP, or
- (b) that on other grounds it is just and equitable to grant relief.

(2) The court may, on the application of the LLP or a person interested, and on such terms and conditions as seem to the court just and expedient, order that the period allowed for registration shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.”.

Avoidance of certain charges

43. Section 889 applies to LLPs, modified so that it reads as follows—

“Charges void unless registered

889.—(1) If an LLP creates a charge to which section 878 applies, the charge is void (so far as any security on the LLP’s property or any part of it is conferred by the charge) against—

- (a) the liquidator of the LLP,
- (b) an administrator of the LLP, and
- (c) any creditor of the LLP,

unless that section is complied with.

(2) Subsection (1) is without prejudice to any contract or obligation for repayment of the money secured by the charge; and when a charge becomes void under this section the money secured by it immediately becomes payable.”.

LLPs’ records and registers

44. Sections 890 to 892 apply to LLPs, modified so that they read as follows—

“Copies of instruments creating charges to be kept by LLP

890.—(1) Every LLP shall cause a copy of every instrument creating a charge requiring registration under this Chapter to be kept available for inspection.

(2) In the case of a series of uniform debentures, a copy of one debenture of the series is sufficient.

LLP’s register of charges

891.—(1) Every LLP shall keep available for inspection a register of charges and enter in it all charges specifically affecting property of the LLP, and all floating charges on any property of the LLP.

(2) There shall be given in each case a short description of the property charged, the amount of the charge and, except in the case of securities to bearer, the names of the persons entitled to it.

(3) If a member of the LLP knowingly and wilfully authorises or permits the omission of an entry required to be made in pursuance of this section, he commits an offence.

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

(a) on conviction on indictment, to a fine;

(b) on summary conviction, to a fine not exceeding the statutory maximum.

Instruments creating charges and register of charges to be available for inspection

892.—(1) This section applies to—

(a) documents required to be kept available for inspection under section 890 (copies of instruments creating charges), and

(b) an LLP’s register of charges kept in pursuance of section 891.

(2) The documents and register must be kept available for inspection—

(a) at the LLP’s registered office, or

(b) at a place specified in Part 2 of the Companies (Company Records) Regulations 2008 (S.I. 2008/3006).

(3) The LLP must give notice to the registrar—

(a) of the place at which the documents and register are kept available for inspection, and

(b) of any change in that place,

unless they have at all times been kept at the LLP’s registered office.

(4) The documents and register shall be open to the inspection—

(a) of any creditor or member of the LLP without charge, and

(b) of any other person on payment of the fee prescribed by regulation 2(d) of the Companies (Fees for Inspection of Company Records) Regulations (S.I. 2008/3007).

(5) If default is made for 14 days in complying with subsection (3) or an inspection required under subsection (4) is refused, an offence is committed by—

(a) the LLP, and

(b) every member of the LLP who is in default.

(6) 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 and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(7) If an inspection required under subsection (4) is refused the court may by order compel an immediate inspection.”.