

Annex E: Impact Assessment

Summary: Intervention & Options

Department /Agency: BERR	Title: Impact Assessment of Limited Partnership LRO	
Stage: Final	Version: 1	Date: 22 May 2009
Related Publications: Reform of Limited Partnership Law: A consultation document – BERR, August 2008		

Available to view or download at:

www.berr.gov.uk/consultations/index.html

Contact for enquiries: Richard Grafen

Telephone: 020 7215 5323

What is the problem under consideration? Why is government intervention necessary?

The Limited Partnerships Act 1907 has been found to be unclear and uncertain in certain areas and to impose unnecessary burdens. This may lead investment partnerships to form in other jurisdictions, losing business for the UK.

The Act may only be clarified by regulatory changes that require Government intervention.

What are the policy objectives and the intended effects?

To reform limited partnership law to increase clarity and certainty about the timing and conclusiveness of registration, and so to remove unnecessary burdens. And to provide third parties with clarity about the status of a limited partnership by requiring them to include an indicator at the end of their name.

This will enhance the UK's attractiveness as a place for investment business.

What policy options have been considered? Please justify any preferred option.

The option to do nothing would maintain the status quo with consequent potential detriment to UK competitiveness.

The option for intervention is to clarify and modernise limited partnership law in line with the recommendations of the Law Commissions. This is the preferred option as it will bring benefits to those using the limited partnership form, as explained below.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Three years after coming into effect

Ministerial Sign-off For final Impact Assessments:

I have read the Impact Assessment and am satisfied that it represents a fair and reasonable view of the expected costs, benefits and impact of the policy; and that the benefits justify the costs.

Signed by the responsible Minister:

IAN PEARSON

..... Date: 22/5/09

Summary: Analysis & Evidence

Policy Option: 1

Description: Implement Law Commission's proposals

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' None
	One-off (Transition)	Yrs	
	0	10	
	Average Annual Cost (excluding one-off)		
	0		Total Cost (PV) 0
<p>Other key non-monetised costs by 'main affected groups' New limited partnerships will no longer have the option of choosing a name that does not include an indicator of their status.</p>			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' None
	One-off	Yrs	
	£0	10	
	Average Annual Benefit (excluding one-off)		
	£ 0		Total Benefit (PV) £ 0
<p>Other key non-monetised benefits by 'main affected groups' In summary: improved clarity and certainty for new limited partnerships and their prospective limited partners; reduced burden for third parties as limited partnerships' names make clear their status. More detail in Evidence Base</p>			

Key Assumptions/Sensitivities/Risks

Price Base Year 2005	Time Period Years 10	Net Benefit Range (NPV) N/A	NET BENEFIT (NPV Best estimate) N/A
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What is the geographic coverage of the policy/option?	UK			
On what date will the policy be implemented?	1/10/09			
Which organisation(s) will enforce the policy?	N/A			
What is the total annual cost of enforcement for these organisations?	£			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	N/A			
What is the value of the proposed offsetting measure per year?	£			
What is the value of changes in greenhouse gas emissions?	£			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro 0	Small 0	Medium 0	Large 0
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Decrease)	
Increase of	£ 0	Decrease of	£ 0
		Net Impact	£ N/A

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

Introduction

B1. The proposed LRO would amend the Limited Partnerships Act 1907 in order to make changes in the law in line with recommendations on limited partnership law reform proposed by the Law Commission and the Scottish Law Commission in their joint report of November 2003. The proposed changes are:

- To clarify that a limited partnership comes into existence on the date it is registered, and that the certificate issued by the registrar is conclusive evidence of its formation.
- To require all new limited partnerships to include at the end of their name “limited partnership” or “LP” or a Welsh equivalent.

B2. In August 2008, BERR consulted on a broader LRO that would have comprehensively replaced the Limited Partnerships Act 1907. Responses showed widespread support for clarifying and modernising limited partnership law, but raised many issues that made it impossible to proceed with the LRO as proposed. The current LRO would implement elements of the comprehensive reform that were welcomed in many responses and opposed in none. It will deliver significant benefits on its own, and we see it as the first step in a modular approach to completing the comprehensive reform in stages, subject to further consultation.

Issue and Objective

B3. The objective of reforming limited partnership law is to improve the legislative framework for limited partnerships in the UK so that it continues to be an appropriate and attractive vehicle, including for investment funds. The reforms aim to:

- modernise the law, ensuring that UK limited partnerships remain attractive in an increasingly competitive market;
- remove unnecessary legal complexity, giving clarity to all those using UK limited partnerships, particularly as vehicles for investment funds.
- ensure that those fund managers who currently structure their funds as UK limited partnerships continue to do so, in order that the UK continues to enjoy the economic benefits of being the location of choice for fund managers;
- encourage fund managers who currently use vehicles from other jurisdictions to consider using a UK vehicle when establishing future funds; and
- ensure that investors from all jurisdictions are confident about investing into UK limited partnerships.

B4. As at 31 March 2008 there were 10,142 limited partnerships registered in England and Wales and 5,447 registered in Scotland. Additionally there were around 40 limited partnerships registered in Northern Ireland. In the five years

from 2003 to 2008, the total number of limited partnerships registered in Great Britain rose by 50% from 10,369 to 15,554.

B5. According to the Law Commissions' report, in 2003 around 64% of all registered English limited partnerships were used as investment fund vehicles. If this proportion has been sustained, this implies that there are now around 6,500 used as investment fund vehicles.

B6. Evidence from the Association of Partnership Practitioners (APP) and the British Venture Capital Association (BVCA) shows that limited partnerships are the dominant investment vehicle used in the UK, Europe and the US for venture capital and private equity investment funds. They are also widely used for other types of fund, including real estate and film finance for example.

B7. The UK private and venture capital industry is by far the largest in Europe and second only in size in the world to the United States. The European Venture Capital Association has estimated that out of the total €112 billion of private equity funds raised in Europe in 2006, €75 billion, or 69% was raised by funds managed in the UK. The next highest countries were France with €10.6 billion (9.5%), and Sweden with €9.4 billion (8.4%).

B8. Several thousand people are directly employed in the private equity industry, which, with its supporting infrastructure of accountants, lawyers and financial advisers, makes a significant contribution to the UK economy. This advisory industry that has developed around UK private equity generates over an estimated £1 billion in fee income each year in the UK (based on transaction fees tending to account for around 5% of the deal value). Limited partnership law reform will impact mostly on where fund managers choose to establish their funds rather than where they choose to invest them.

B9. The UK is the preferred choice of jurisdiction for most fund managers investing in Europe. However, the UK's leading position cannot be taken for granted: both fund managers and investors are increasingly 'jurisdiction shopping' when deciding where to establish and invest in investment funds. The efficiency with which limited partnership fund vehicles may be formed and operated is an important consideration. Stakeholders consider it important to maintain the UK's position as the leader in Europe for venture capital investment; it is a very important market involving billions of pounds. Increasingly, off shore centres are emerging to challenge this position. The threat of relocation is a real one, albeit difficult to quantify. The repercussions of a wholesale move of the private equity industry and the fees it pays to advisers would be significant, even if their investments would still be largely made in the UK.

B10. The investor base includes groups backing businesses from seed and start-up through high growth to later stage mid-market and large buy-out transactions.

Consultation

B11. In September 2000 the Law Commissions issued a Joint Consultation Paper on partnership law¹ which set out proposals for the reform of the general law of partnership. In October 2001 the Commissions issued a further Joint Consultation Paper on limited partnership law². Responses were received from members of the legal profession, academics, accountants, organisations representing business, Government Departments, public bodies and individuals.

B12. The Department (then DTI) issued a consultation document in April 2004 (URN04/966) seeking information on the economic impact of partnership law reform³. The consultation document asked readers to consider whether the reforms would benefit business, and if so, how the benefits would arise, and to provide, where possible, estimates of cost savings or burdens. Thirty organisations, businesses and individuals responded to the consultation. A summary of responses⁴ has been published (URN06/635)⁴. Respondents to the consultation were divided on the economic benefits of the proposed reforms to the business community of partnership law but supported the proposals for limited partnership law reform.

B13. In August 2008, BERR issued a consultation document including an LRO that would have repealed the Limited Partnerships Act 1907 and inserted new provisions into the Partnership Act 1890. The responses showed that there was broad support for modernisation and clarification of limited partnership law, but they raised important issues about the approach of the LRO, to the extent that it was apparent that we could not proceed with that LRO as planned.

Options

B14. Each of these consultations has confirmed that there is a strong economic case for reforming limited partnership law along the lines recommended by the Law Commissions.

B15. The approach we are recommending – following an informal reconconsultation in April 2009 – is to make the current LRO, which makes useful uncontroversial reforms as the first stage in a modular approach to completing the overall reform in manageable sized instruments. The two alternatives to this approach that we have considered are

- ‘do nothing’, leaving the Limited Partnerships Act 1907 unchanged. This option would do nothing to improve the legal framework in which limited partnerships operate nor help to maintain the UK as the preferred choice of jurisdiction for most fund managers investing in Europe.

¹ *Partnership Law – a joint consultation paper* – Law Commission and Scottish Law Commission (Consultation paper no 159 / Discussion paper no 111), Summary available at: www.lawcom.gov.uk/docs/cp159sum.pdf

² *Limited Partnerships Act 1907 – A Joint Consultation Paper* – Law Commission and Scottish Law Commission, September 2000 (Consultation Paper No 161 / Discussion Paper No 118), www.scotlawcom.gov.uk/downloads/dp118_limited_partnership.pdf

³ *Reform of partnership law: the economic impact* – DTI, April 2004, www.berr.gov.uk/files/file23033.pdf

⁴ *Summary of responses to the consultation on reform of partnership law: the economic impact* – DTI, July 2006, www.berr.gov.uk/files/file32328.pdf

- 'deferred comprehensive LRO', under which we would seek to deal with all the issues raised in response to the 2008 consultation, and consult again on another comprehensive LRO. It is not clear at this stage how long it would take to bottom out all the issues raised, but it is likely to take at least 12 months, meaning that at best the reform could be implemented in 2011. There would also inevitably be a risk that there would be something in the new draft LRO to which stakeholders would object, which might delay the comprehensive approach further.

Costs and Benefits of options

1. Do nothing option

B16. The current 100-year old law is working, and people are finding ways round the obscurities and uncertainties. If we do not change it, there will be no change for existing limited partnerships, no extra costs, and no benefits. It is possible that those who might wish to form a limited partnership in future will – because of the deficiencies in the law – instead use a limited company, or a limited liability partnership, or will use a limited partnership formed in another jurisdiction.

2. Deferred comprehensive LRO

Costs

B17. We have not been able to identify any additional continuing administrative costs to limited partnerships arising from these changes to the regulatory process. Limited partnerships already have to register and send information to the registrar under existing law.

B18. The previous LRO would have imposed a modest one-off cost for existing limited partnerships, as they would have been required to re-register under the new law. Given the responses, it is unlikely that we would want to make re-registration compulsory in a re-formulated LRO.

B19. As with the recommended option, new limited partnerships would be prevented from choosing a name that did not indicate their status as limited partnerships.

B20. If the effect of the new legislation is improved compliance with filing requirements, then this may involve a minor continuing increase in costs for Companies House. Such costs would be met from fees that the registrar would be able to set in respect of the provision of services to limited partnerships. The additional cost to each limited partnership would be minimal and the benefits of a full limited partnership service would significantly outweigh these costs.

B21. We believe that a comprehensive Order could be drafted in such a way that existing limited partnership agreements would not need to be amended and that costs would only arise if limited partnerships wished to benefit from new flexibilities and their agreements restricted them.

Benefits

B22. None of the proposed changes can readily be quantified, but the benefits are considered significant:

- modernisation of the legislation would help to maintain the strong position of the UK's private equity and venture capital industry with the rest of the world as perceived barriers would be removed and confidence in the legal framework is increased.
- the increased legal clarity would eliminate much of the legal complexity associated with the present law. This would make the limited partnership a more attractive and user-friendly vehicle. For instance, at present, a material amount of lawyers' time is spent in considering whether a limited partnership's registration could be considered "defective" which should not be necessary once the law provides that a certificate of registration will be conclusive evidence that registration requirements have been complied with. In addition, it should be easier and quicker for law firms to give opinions as to the due establishment of the partnership.
- increased legal clarity should lead to less money and time being spent on legal advice, and on reading and understanding the law.
- many inconveniences such as the uncertainty about activities limited partners are permitted to be engaged in, and the need to make a capital contribution at the outset, would be reduced or eliminated. This may encourage individuals to enter into a partnership who would otherwise not have done so with the result that the number of limited partnerships established in the UK may increase. Increased certainty in a stronger legal structure may also encourage more investors to enter the market.
- reducing the perceived barriers/costs of setting up limited partnerships should, if an increase in the number of such partnerships is realised, potentially raise the supply of available investment funds and may reduce the cost of capital to those seeking such funds.
- a deregistration procedure would provide certainty for both general and limited partners that a limited partnership has ceased to carry on business as such. The procedure for deregistration would be clear, so it is possible that general partners would save legal costs as it would be less necessary to seek detailed advice on the procedure for ceasing to carry on business as a limited partnership.

3. Recommended option

Costs

B23. The only very minor cost of the current draft LRO would be to prevent new limited partnerships from choosing a name that does not reveal its status as a limited partnership.

B24. As further modules were rolled out, the costs would be only the minor potential costs identified in option 2.

Benefits

B25. The current draft LRO would deliver some of the benefits identified above this year. In particular, there is real uncertainty about the date on which a limited partnership comes into existence, and about the possible effect of shortcomings in the application for registration. Potential limited partners are very concerned that there is a risk that for some time they may be exposed to

unlimited liability, and this is a barrier to their joining limited partnerships. The key benefit of option 2 is that from later this year, it will be clear that when the registrar issues a certificate it defines the start point of a limited partnership, and that the limited partnerships conclusively exists, notwithstanding any defects in the application process. This will make it easier for investors to join investment funds formed as UK limited partnerships, and will reduce costs of legal advice for the investors and for the funds.

B26. As further modules are rolled out, it should be possible to deliver all of the benefits listed under option 2 above.

Consideration of options

B27. In the long run, either of options 2 and 3 would give similar, significant benefits, with no significant costs. The important difference is in timing and risks. Our assessment of the responses to the 2008 consultation is that drafting a new comprehensive LRO that deals with all the issues raised (option 2) would mean that there would be no improvement in limited partnership law until at least 2011, and that there would be a significant risk of more extended delay.

B28. Option 2 on the other hand would deliver real benefits this year. And we believe that the modular approach should enable us to prioritise the changes that will bring the most significant further benefits as soon as possible. Against this, there is a risk that introducing many small changes would increase costs of learning and adaptation for limited partnerships and their advisors, and so we should need to consult stakeholders on the best balance.

Competition assessment

B28. The proposals being taken forward by this LRO relate only to limited partnerships; there is no effect on general partnerships or limited liability partnerships. At March 2008 there were around 15,600 limited partnerships in England and Wales, Scotland and Northern Ireland.

B29. We do not believe that modernising the law as proposed would have any significant effect on competition. As noted under benefits above, the proposals, which affect all limited partnerships, might lead to an increase in the numbers of limited partnerships and to an increase in investors. The proposals would be a step towards creating a level playing field with the rest of the world to ensure the continued strength of the private equity sector in the UK.

Consultation with small business: “The Small Firms Impact Test”

B30. In its response to the consultation on the economic impact of partnership law reform the Small Business Service supported the proposals. Small business would not be disproportionately affected.

Specific impact tests

B31. We have considered the three mandatory impact tests (gender, race, disability), and the recommended options are unlikely to have any discriminatory effects.

Identify any other costs

B32. No additional costs or savings for the Exchequer have been identified.

Monitoring

B33. We shall review the success of the order three years after it comes into effect.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	No	No
Rural Proofing	No	No

Annex F: Keeling Schedule

Consolidated text of Limited Partnerships Act 1907 after changes

An Act to establish Limited Partnerships.

1. Short title.

This Act may be cited for all purposes as the Limited Partnerships Act 1907.

2. [Repealed by Statute Law Revision Act 1927.]

3. Interpretation of terms.

In the construction of this Act the following words and expressions shall have the meanings respectively assigned to them in this section, unless there be something in the subject or context repugnant to such construction:—

“Firm,” “firm name,” and “business” have the same meanings as in the Partnership Act 1890:

“General partner” shall mean any partner who is not a limited partner as defined by this Act.

4. Definition and constitution of limited partnership.

(1) [Words repealed by Statute Law Revision Act 1927] limited partnerships may be formed in the manner and subject to the conditions by this Act provided.

(2) A limited partnership [words repealed by Regulatory Reform (Removal of 20 Member Limit in Partnerships etc.) Order 2002/3203] must consist of one or more persons called general partners, who shall be liable for all debts and obligations of the firm, and one or more persons to be called limited partners, who shall at the time of entering into such partnership contribute thereto a sum or sums as capital or property valued at a stated amount, and who shall not be liable for the debts or obligations of the firm beyond the amount so contributed.

(3) A limited partner shall not during the continuance of the partnership, either directly or indirectly, draw out or receive back any part of his contribution, and if he does so draw out or receive back any such part shall be liable for the debts and obligations of the firm up to the amount so drawn out or received back.

(4) A body corporate may be a limited partner.

5. Registration of limited partnership required.

Every limited partnership must be registered as such in accordance with the provisions of this Act.

6. Modifications of general law in case of limited partnerships.

(1) A limited partner shall not take part in the management of the partnership business, and shall not have power to bind the firm: Provided that a limited partner may by himself or his agent at any time inspect the books of the firm and examine into the state and prospects of the partnership business, and may advise with the partners thereon.

If a limited partner takes part in the management of the partnership business he shall be liable for all debts and obligations of the firm incurred while he so takes part in the management as though he were a general partner.

(2) A limited partnership shall not be dissolved by the death or bankruptcy of a limited partner, and the lunacy of a limited partner shall not be a ground for dissolution of the partnership by the court unless the lunatic's share cannot be otherwise ascertained and realised.

(3) In the event of the dissolution of a limited partnership its affairs shall be wound up by the general partners unless the court otherwise orders.

(4) [Repealed by Companies (Consolidation) Act 1908, Sch. 6 Pt. I.]

(5) Subject to any agreement expressed or implied between the partners—

(a) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the general partners;

(b) A limited partner may, with the consent of the general partners, assign his share in the partnership, and upon such an assignment the assignee shall become a limited partner with all the rights of the assignor;

(c) The other partners shall not be entitled to dissolve the partnership by reason of any limited partner suffering his share to be charged for his separate debt;

(d) A person may be introduced as a partner without the consent of the existing limited partners;

(e) A limited partner shall not be entitled to dissolve the partnership by notice.

7. Law as to private partnerships to apply where not excluded by this Act.

Subject to the provisions of this Act, the Partnership Act 1890, and the rules of equity and of

common law applicable to partnerships, except so far as they are inconsistent with the express provisions of the last-mentioned Act, shall apply to limited partnerships.

8 Duty to register

The registrar shall register a limited partnership if an application is made to the registrar in accordance with section 8A.

8A Application for registration

(1) An application for registration must—

(a) specify the firm name, complying with section 8B, under which the limited partnership is to be registered,

(b) contain the details listed in subsection (2),

(c) be signed or otherwise authenticated by or on behalf of each partner, and

(d) be made to the registrar for the part of the United Kingdom in which the principal place of business of the limited partnership is to be situated.

(2) The required details are—

(a) the general nature of the partnership business,

(b) the name of each general partner,

(c) the name of each limited partner,

(d) the amount of the capital contribution of each limited partner (and whether the contribution is paid in cash or in another specified form),

- (e) the address of the proposed principal place of business of the limited partnership, and
- (f) the term (if any) for which the limited partnership is to be entered into (beginning with the date of registration).

8B Name of limited partnership

- (1) This section sets out conditions which must be satisfied by the firm name of a limited partnership as specified in the application for registration.
- (2) The name must end with—
 - (a) the words “limited partnership” (upper or lower case, or any combination), or
 - (b) the abbreviation “LP” (upper or lower case, or any combination, with or without punctuation).
- (3) But if the principal place of business of a limited partnership is to be in Wales, its firm name may end with—
 - (a) the words “partneriaeth cyfyngedig” (upper or lower case, or any combination), or
 - (b) the abbreviation “PC” (upper or lower case, or any combination, with or without punctuation).

8C Certificate of registration

- (1) On registering a limited partnership the registrar shall issue a certificate of registration.
- (2) The certificate must be—
 - (a) signed by the registrar, or
 - (b) authenticated with the registrar’s seal.
- (3) The certificate must state—
 - (a) the firm name of the limited partnership given in the application for registration,
 - (b) the limited partnership’s registration number,
 - (c) the date of registration, and
 - (d) that the limited partnership is registered as a limited partnership under this Act.
- (4) The certificate is conclusive evidence that a limited partnership came into existence on the date of registration.

9. Registration of changes in partnerships.

- (1) If during the continuance of a limited partnership any change is made or occurs in—
 - (a) the firm name,
 - (b) the general nature of the business,
 - (c) the principal place of business,
 - (d) the partners or the name of any partner,
 - (e) the term of character of the partnership,
 - (f) the sum contributed by any limited partner,
 - (g) the liability of any partner by reason of his becoming a limited instead of a general partner or a general instead of a limited partner,

a statement, signed by the firm, specifying the nature of the change, shall within seven days be sent by post or delivered to the registrar at the register office in that part of the United Kingdom in which the partnership is registered.

(2) If default is made in compliance with the requirements of this section each of the general

partners shall, on conviction under the Magistrates' Courts Act 1952, be liable to a fine not exceeding one pound for each day during which the default continues.

10. Advertisement in Gazette of statement of general partner becoming a limited partner and of assignment of share of limited partner.

(1) Notice of any arrangement or transaction under which any person will cease to be a general partner in any firm, and will become a limited partner in that firm, or under which the share of a limited partner in a firm will be assigned to any person, shall be forthwith advertised in the Gazette, and until notice of the arrangement or transaction is so advertised the arrangement or transaction shall, for the purposes of this Act, be deemed to be of no effect.

(2) For the purposes of this section, the expression “the Gazette” means—

In the case of a limited partnership registered in England, the London Gazette;

In the case of a limited partnership registered in Scotland, the Edinburgh Gazette;

In the case of a limited partnership registered in Ireland, the Belfast Gazette.

11. [Repealed by Finance Act 1973 (c. 51), Sch. 22 Pt. V.]

12. [Repealed by Perjury Act 1911 (c. 6), Sch. and by False Oaths (Scotland) Act 1933 (c. 20), Sch.]

13. Registrar to file statement and issue certificate of registration.

On receiving any statement made in pursuance of this Act the registrar shall cause the same to be filed, and he shall send by post to the firm from whom such statement shall have been received a certificate of the registration thereof.

14. Register and index to be kept.

At each of the register offices herein-after referred to the registrar shall keep, in proper books to be provided for the purpose, a register and an index of all the limited partnerships registered as aforesaid, and of all the statements registered in relation to such partnerships.

15. Registrar of joint stock companies to be registrar under Act.

The registrar of joint stock companies shall be the registrar of limited partnerships, and the several offices for the registration of joint stock companies in London, Edinburgh, and Belfast shall be the offices for the registration of limited partnerships carrying on business within those parts of the United Kingdom in which they are respectively situated.

16. Inspection of statements registered.

(1) Any person may inspect the statements filed by the registrar in the register offices aforesaid [**words** repealed by Companies Act 2006 c. 46 Sch.16 para.1] ; and any person may require a certificate of the registration of any limited partnership, or a copy of or extract from any registered statement, to be certified by the registrar, and

there shall be paid for such certificate of registration, certified copy, or extract such fees as the Board of Trade may appoint, not exceeding 10p for the certificate of registration, and not exceeding 2½p for each folio of seventy-two words, or in Scotland for each sheet of two hundred words.

(2) A certificate of registration, or a copy of or extract from any statement registered under this Act, if duly certified to be a true copy under the hand of the registrar or one of the assistant registrars (whom it shall not be necessary to prove to be the registrar or assistant registrar) shall, in all legal proceedings, civil or criminal, and in all cases whatsoever be received in evidence.

17. Power to Board of Trade to make rules.

The Board of Trade may make rules [words repealed by Companies Act 2006 c. 46 Sch.16 para.1] concerning any of the following matters—

- (a) [repealed by Companies Act 2006 c. 46 Sch.16 para.1],
- (b) The duties or additional duties to be performed by the registrar for the purposes of this Act;
- (c) The performance by assistant registrars and other officers of acts by this Act required to be done by the registrar;
- (d) The forms to be used for the purposes of this Act;
- (e) Generally the conduct and regulation of registration under this Act and any matters incidental thereto.

Pre-consolidated text of Limited Partnerships Act 1907

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1. Short title.

This Act may be cited for all purposes as the Limited Partnerships Act 1907.

2. [Repealed by Statute Law Revision Act 1927.]

3. Interpretation of terms.

In the construction of this Act the following words and expressions shall have the meanings respectively assigned to them in this section, unless there be something in the subject or context repugnant to such construction:—

“Firm,” “firm name,” and “business” have the same meanings as in the Partnership Act 1890:

“General partner” shall mean any partner who is not a limited partner as defined by this Act.

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(1) [Words repealed by Statute Law Revision Act 1927] limited partnerships may be formed in the manner and subject to the conditions by this Act provided.

(2) A limited partnership [words repealed by Regulatory Reform (Removal of 20 Member Limit in Partnerships etc.) Order 2002/3203] must consist of one or more persons called general partners, who shall be liable for all debts and obligations of the firm, and one or more persons to be called limited partners, who shall at the time of entering into such partnership contribute thereto a sum or sums as capital or property valued at a stated amount, and who shall not be liable for the debts or obligations of the firm beyond the amount so contributed.

(3) A limited partner shall not during the continuance of the partnership, either directly or indirectly, draw out or receive back any part of his contribution, and if he does so draw out or receive back any such part shall be liable for the debts and obligations of the firm up to the amount so drawn out or received back.

(4) A body corporate may be a limited partner.

5. Registration of limited partnership required.

Every limited partnership must be registered as such in accordance with the provisions of this Act, or in default thereof it shall be deemed to be a general partnership, and every limited partner shall be deemed to be a general partner.

6. Modifications of general law in case of limited partnerships.

(1) A limited partner shall not take part in the management of the partnership business, and shall not have power to bind the firm: Provided that a limited partner may by himself or his agent at any time inspect the books of the firm and examine into the state and prospects of the partnership business, and may advise with the partners thereon.

If a limited partner takes part in the management of the partnership business he shall be liable for all debts and obligations of the firm incurred while he so takes part in the management as though he were a general partner.

(2) A limited partnership shall not be dissolved by the death or bankruptcy of a limited partner, and the lunacy of a limited partner shall not be a ground for dissolution of the partnership by the court unless the lunatic's share cannot be otherwise ascertained and realised.

(3) In the event of the dissolution of a limited partnership its affairs shall be wound up by the

general partners unless the court otherwise orders.

(4) [Repealed by Companies (Consolidation) Act 1908, Sch. 6 Pt. I.]

(5) Subject to any agreement expressed or implied between the partners—

(a) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the general partners;

(b) A limited partner may, with the consent of the general partners, assign his share in the partnership, and upon such an assignment the assignee shall become a limited partner with all the rights of the assignor;

(c) The other partners shall not be entitled to dissolve the partnership by reason of any limited partner suffering his share to be charged for his separate debt;

(d) A person may be introduced as a partner without the consent of the existing limited partners;

(e) A limited partner shall not be entitled to dissolve the partnership by notice.

7. Law as to private partnerships to apply where not excluded by this Act.

Subject to the provisions of this Act, the Partnership Act 1890, and the rules of equity and of

common law applicable to partnerships, except so far as they are inconsistent with the express provisions of the last-mentioned Act, shall apply to limited partnerships.

8. Manner and particulars of registration.

The registration of a limited partnership shall be effected by sending by post or delivering to the registrar at the register office in that part of the United Kingdom in which the principal place of business of the limited partnership is situated or proposed to be situated a statement signed by the partners containing the following particulars:—

(a) The firm name;

(b) The general nature of the business;

(c) The principal place of business;

(d) The full name of each of the partners;

(e) The term, if any, for which the partnership is entered into, and the date of its

commencement;

(f) A statement that the partnership is limited, and the description of every limited partner

as such;

(g) The sum contributed by each limited partner, and whether paid in cash or how otherwise.

9.— Registration of changes in partnerships.

(1) If during the continuance of a limited partnership any change is made or occurs in—

(a) the firm name,

- (b) the general nature of the business,
- (c) the principal place of business,
- (d) the partners or the name of any partner,
- (e) the term of character of the partnership,
- (f) the sum contributed by any limited partner,
- (g) the liability of any partner by reason of his becoming a limited instead of a general partner or a general instead of a limited partner,

a statement, signed by the firm, specifying the nature of the change, shall within seven days be sent by post or delivered to the registrar at the register office in that part of the United Kingdom in which the partnership is registered.

(2) If default is made in compliance with the requirements of this section each of the general partners shall, on conviction under the Magistrates' Courts Act 1952, be liable to a fine not exceeding one pound for each day during which the default continues.

10. Advertisement in Gazette of statement of general partner becoming a limited partner and of assignment of share of limited partner.

(1) Notice of any arrangement or transaction under which any person will cease to be a general partner in any firm, and will become a limited partner in that firm, or under which the share of a limited partner in a firm will be assigned to any person, shall be forthwith advertised in the Gazette, and until notice of the arrangement or transaction is so advertised the arrangement or transaction shall, for the purposes of this Act, be deemed to be of no effect.

- (2) For the purposes of this section, the expression “the Gazette” means—
 In the case of a limited partnership registered in England, the London Gazette;
 In the case of a limited partnership registered in Scotland, the Edinburgh Gazette;
 In the case of a limited partnership registered in Ireland, the Belfast Gazette.

11. [Repealed by Finance Act 1973 (c. 51), Sch. 22 Pt. V.]

12. [Repealed by Perjury Act 1911 (c. 6), Sch. and by False Oaths (Scotland) Act 1933 (c. 20), Sch.]

13. Registrar to file statement and issue certificate of registration.

On receiving any statement made in pursuance of this Act the registrar shall cause the same to be filed, and he shall send by post to the firm from whom such statement shall have been received a certificate of the registration thereof.

14. Register and index to be kept.

At each of the register offices herein-after referred to the registrar shall keep, in proper books to be provided for the purpose, a register and an index of all the limited partnerships registered as aforesaid, and of all the statements registered in relation to such partnerships.

15. Registrar of joint stock companies to be registrar under Act.

The registrar of joint stock companies shall be the registrar of limited partnerships, and the several offices for the registration of joint stock companies in London, Edinburgh, and Belfast shall be the offices for the registration of limited partnerships

carrying on business within those parts of the United Kingdom in which they are respectively situated.

16. Inspection of statements registered.

(1) Any person may inspect the statements filed by the registrar in the register offices aforesaid [words repealed by Companies Act 2006 c. 46 Sch.16 para.1] ; and any person may require a certificate of the registration of any limited partnership, or a copy of or extract from any registered statement, to be certified by the registrar, and there shall be paid for such certificate of registration, certified copy, or extract such fees as the Board of Trade may appoint, not exceeding 10p for the certificate of registration, and not exceeding 2½p

for each folio of seventy-two words, or in Scotland for each sheet of two hundred words.

(2) A certificate of registration, or a copy of or extract from any statement registered under this Act, if duly certified to be a true copy under the hand of the registrar or one of the assistant registrars (whom it shall not be necessary to prove to be the registrar or assistant registrar) shall, in all legal proceedings, civil or criminal, and in all cases whatsoever be received in evidence.

17. Power to Board of Trade to make rules.

The Board of Trade may make rules [words repealed by Companies Act 2006 c. 46 Sch.16 para.1] concerning any of the following matters—

- (a) [repealed by Companies Act 2006 c. 46 Sch.16 para.1],
- (b) The duties or additional duties to be performed by the registrar for the purposes of this Act;
- (c) The performance by assistant registrars and other officers of acts by this Act required to be done by the registrar;
- (d) The forms to be used for the purposes of this Act;
- (e) Generally the conduct and regulation of registration under this Act and any matters incidental thereto.

Department for Business, Enterprise and Regulatory Reform

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