

**2001 No. 1389**

**PARTNERSHIP**

**The Partnerships (Unrestricted Size) No. 16  
Regulations 2001**

*Made* - - - - - *4th April 2001*

*Coming into force* - - - - - *10th May 2001*

The Secretary of State, in exercise of the power conferred on him by sections 716(2)(d) and 744 of the Companies Act 1985(a), hereby makes the following Regulations:—

1. These Regulations may be cited as the Partnerships (Unrestricted Size) No. 16 Regulations 2001, and shall come into force on 10th May 2001.

2.—(1) Section 716(1) of the Companies Act 1985 does not prohibit the formation, for the purpose of carrying on investment business, of a partnership consisting of more than 20 persons which is—

- (a) authorised to carry on that business under the Financial Services Act 1986(b), or
- (b) a European investment firm carrying on home-regulated business in the United Kingdom.

(2) In paragraph (1) above, the expressions “European investment firm” and “home-regulated investment business” have the meanings given by regulation 2 of the Investment Services Regulations 1995(c).

*Kim Howells,*  
Parliamentary Under-Secretary of State  
for Consumers and Corporate Affairs,  
Department of Trade and Industry

4th April 2001

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(a) 1985 c. 6; section 716(2)(d) was substituted by the Companies Act 1989 (c. 40), section 145 and Schedule 19, paragraph 15(2); section 744 contains a definition of “prescribed” relevant to the exercise of the power conferred by section 716(2)(d).  
(b) 1986 c. 60.  
(c) S.I. 1995/3275.

## EXPLANATORY NOTE

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

Section 716 of the Companies Act 1985 prohibits the formation of partnerships consisting of more than 20 persons. These Regulations exempt from that prohibition partnerships formed for the purpose of carrying on investment business which are—

- (a) authorised to carry on that business under the Financial Services Act 1986, or
- (b) “European investment firms” carrying on “home-regulated business” in the United Kingdom (for definitions see regulation 2(2)).

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