STATUTORY INSTRUMENTS

2009 No. 1804

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

PART 12

PROTECTION OF MEMBERS AGAINST UNFAIR PREJUDICE

Main provisions

48. Sections 994 to 996 M1 apply to LLPs, modified so that they read as follows—

"994 Petition by LLP member

- (1) A member of an LLP may apply to the court by petition for an order under this Part on the ground—
 - (a) that the LLP's affairs are being or have been conducted in a manner that is unfairly prejudicial to the interests of members generally or of some part of its members (including at least himself), or
 - (b) that an actual or proposed act or omission of the LLP (including an act or omission on its behalf) is or would be so prejudicial.
 - (2) For the purposes of subsection (1)(a), a removal of the LLP's auditor from office—
 - (a) on grounds of divergence of opinions on accounting treatments or audit procedures, or
 - (b) on any other improper grounds,

shall be treated as being unfairly prejudicial to the interests of some part of the LLP's members.

(3) The members of an LLP may by unanimous agreement exclude the right contained in subsection (1) either indefinitely or for such period as is specified in the agreement. The agreement must be recorded in writing.

995 Petition by Secretary of State

- (1) This section applies to an LLP in respect of which—
 - (a) the Secretary of State has received a report under section 437 of the Companies Act 1985 (c. 6) (inspector's report);
 - (b) the Secretary of State has exercised his powers under section 447 or 448 of that Act (powers to require documents and information or to enter and search premises);
 - (c) [F1the Secretary of State, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority] has exercised his or its powers under Part

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- 11 of the Financial Services and Markets Act 2000 (c. 8) (information gathering and investigations); or
- (d) the Secretary of State has received a report from an investigator [F2 appointed by the Secretary of State, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority] under that Part.
- (2) If it appears to the Secretary of State that in the case of such an LLP—
 - (a) the LLP's affairs are being or have been conducted in a manner that is unfairly prejudicial to the interests of members generally or of some part of its members, or
 - (b) an actual or proposed act or omission of the LLP (including an act or omission on its behalf) is or would be so prejudicial,

he may apply to the court by petition for an order under this Part.

(3) The Secretary of State may do this in addition to, or instead of, presenting a petition for the winding up of the LLP.

996 Powers of the court under this Part

- (1) If the court is satisfied that a petition under this Part is well founded, it may make such order as it thinks fit for giving relief in respect of the matters complained of.
 - (2) Without prejudice to the generality of subsection (1), the court's order may—
 - (a) regulate the conduct of the LLP's affairs in the future;
 - (b) require the LLP—
 - (i) to refrain from doing or continuing an act complained of, or
 - (ii) to do an act that the petitioner has complained it has omitted to do;
 - (c) authorise civil proceedings to be brought in the name and on behalf of the LLP by such person or persons and on such terms as the court may direct;
 - (d) require the LLP or the members of the LLP not to make any, or any specified, alterations in the LLP agreement without the leave of the court;
 - (e) provide for the purchase of the rights and interests of any members in the LLP by other members or by the LLP itself.".

Textual Amendments

- F1 Words in reg. 48 substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 174(a)
- F2 Words in reg. 48 substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 174(b)

Marginal Citations

M1 Section 994 was amended by regulation 42 of S.I. 2007/3494.

Supplementary provision

49. Section 997 applies to LLPs as follows—

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"Application of general rule-making powers

997. The power to make rules under section 411 of the Insolvency Act 1986 (c. 45) or Article 359 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I.19)), so far as relating to a winding-up petition, applies for the purposes of a petition under this Part.".

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Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

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Pt. 1A inserted by S.I. 2016/340 Sch. 3 para. 3
Pt. 4A inserted by S.I. 2024/234 reg. 17
Pt. 5 Ch. 1A inserted by S.I. 2016/599 Sch. 1 para. 3
Pt. 8A inserted by S.I. 2016/340 reg. 3Sch. 1
reg. 3(2)(d) inserted by S.I. 2016/340 Sch. 3 para. 2
reg. 9A inserted by S.I. 2024/234 reg. 7
reg. 9B inserted by S.I. 2024/234 reg. 8
reg. 13A inserted by S.I. 2024/234 reg. 12
reg. 13B inserted by S.I. 2024/234 reg. 13
reg. 13C inserted by S.I. 2024/234 reg. 14
reg. 13C inserted by S.I. 2024/234 reg. 15
reg. 17A inserted by S.I. 2016/599 Sch. 1 para. 2
reg. 17B inserted by S.I. 2024/234 reg. 19
reg. 17ZC inserted by S.I. 2024/234 reg. 18
reg. 19(5)(f) inserted by S.I. 2016/340 Sch. 3 para. 4
reg. 30A inserted by S.I. 2024/234 reg. 22
reg. 31B words inserted by S.I. 2017/693 reg. 24(3)(c)
reg. 31B words omitted by S.I. 2017/693 reg. 24(2)(b)
reg. 31B words omitted by S.I. 2017/693 reg. 24(3)(b)
reg. 31B words substituted by S.I. 2017/693 reg. 24(2)(a)
reg. 31B words substituted by S.I. 2017/693 reg. 24(3)(a)
reg. 31B(3) words inserted by S.I. 2017/694 reg. 79
reg. 31B(3) words substituted by S.I. 2019/348 Sch. 3 para. 24(a)
reg. 31B(6) words substituted by S.I. 2019/348 Sch. 3 para. 24(b)
reg. 31E word substituted by S.I. 2017/693 reg. 25(2)
reg. 31E words inserted by S.I. 2017/693 reg. 25(3)(c)(iii)
reg. 31E words inserted by S.I. 2017/693 reg. 25(4)
reg. 31E words omitted by S.I. 2017/693 reg. 25(3)(c)(i)
reg. 31E words substituted by S.I. 2017/693 reg. 25(3)(a)
reg. 31E words substituted by S.I. 2017/693 reg. 25(3)(b)
reg. 31E words substituted by S.I. 2017/693 reg. 25(3)(c)(ii)
reg. 31E words substituted by S.I. 2017/693 reg. 25(5)
reg. 31L(2)(c) omitted by S.I. 2024/234 reg. 24
reg. 31JA inserted by S.I. 2017/693 reg. 26
reg. 31ZA words inserted by S.I. 2024/234 reg. 23
reg. 31ZA words omitted by S.I. 2024/234 reg. 23(2)(b)
reg. 45A inserted by S.I. 2020/643 Sch. 3 para. 3
reg. 45A inserted by S.I. 2021/60 Sch. 3 para. 3
reg. 63A inserted by S.I. 2024/234 reg. 27
reg. 66(ca)(cb) inserted by S.I. 2016/340 Sch. 3 para. 5
reg. 72(1) words inserted by S.I. 2016/340 Sch. 3 para. 6
reg. 75A inserted by S.I. 2024/234 reg. 45
reg. 79A inserted by S.I. 2024/234 reg. 46
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