

2002 No. 3203

REGULATORY REFORM

The Regulatory Reform (Removal of 20 Member Limit in Partnerships etc.) Order 2002

Made - - - - - *20th December 2002*

Coming into force - - - *21st December 2002*

Whereas:

- (a) the Secretary of State is of the opinion that this Order does not remove any necessary protection or prevent any person from continuing to exercise any right or freedom which he might reasonably expect to continue to exercise;
- (b) the Secretary of State has consulted such organisations as appear to the Secretary of State to be representative of interests substantially affected by the Secretary of State's proposals, statutory bodies whose functions are related to those proposals, organisations representative of such bodies, the National Assembly for Wales and such other persons as the Secretary of State considers appropriate;
- (c) it appears to the Secretary of State that it is appropriate, following that consultation, to proceed with the making of this Order;
- (d) a document setting out the Secretary of State's proposals has been laid before Parliament as required by section 6 of the Regulatory Reform Act 2001^(a) and the period for Parliamentary consideration under section 8 of that Act has expired;
- (e) the Secretary of State has had regard to the representations made during that period;
- (f) a draft of this Order has been laid before Parliament with a statement giving details of those representations and the changes (if any) to the Secretary of State's proposals in the light of them; and
- (g) a draft of this Order has been approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State, in exercise of the powers conferred upon her by section 1 of the Regulatory Reform Act 2001, hereby makes the following Order:

1.—(1) This Order may be cited as the Regulatory Reform (Removal of 20 Member Limit in Partnerships etc.) Order 2002, and shall come into force on the day after the day on which it is made.

(2) This Order extends to Great Britain.

^(a) 2001 c. 6.

2. Sections 716 (general partnerships etc.: limit on number of members)(a) and 717 (limited partnerships: limit on number of members)(b) of the Companies Act 1985(c) are hereby repealed.

3. Section 4(2) of the Limited Partnerships Act 1907(d) is hereby amended by omitting the words “shall not consist of more than twenty persons, and”.

4. Section 127(3) of the Trade Union and Labour Relations (Consolidation) Act 1992 (20 member limit in section 716 Companies Act 1985 not to apply to employers’ associations)(e) is hereby repealed.

Melanie Johnson,
Parliamentary Under-Secretary of State for
Competition, Consumers and Markets,
Department of Trade and Industry.

20th December 2002

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- (a) Section 716 was amended by sections 145 and 212 of, and paragraph 15 of Schedule 19 and Schedule 24 to, the Companies Act 1989 (c. 40); by section 263 of the Financial Services and Markets Act 2000 (c. 8); by regulation 2 of, and paragraph 53 of the Schedule to, S.I. 1991/1997; by regulation 84 of, and paragraph 7 of Schedule 7 to, S.I. 2001/1228, and by article 11 of S.I. 2002/1555.
- (b) Section 717 was amended by sections 145 and 212 of, and paragraph 16 of Schedule 19 and Schedule 24 to, the Companies Act 1989; by regulation 2 of, and paragraph 53 of the Schedule to, S.I. 1991/1997, and by regulation 2 of S.I. 1995/1163.
- (c) 1985 c. 6.
- (d) 7 Edw 7 c. 24; section 4(2) was amended by sections 46 and 51 of, and Schedule 7 to, the Banking Act 1979 (c. 37).
- (e) 1992 c. 52.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 1 of the Regulatory Reform Act 2001 (c. 6). It reforms the law relating to the maximum limit of 20 on the numbers of persons who can be members of partnerships (including limited partnerships), and of certain companies or associations, which has the effect of imposing burdens on people carrying out certain activities with a view to reducing those burdens in respect of the formation of such bodies. It does so by repealing sections 716 and 717 of the Companies Act 1985 (c. 6) and amending section 4(2) of the Limited Partnerships Act 1907 (c. 37), thereby removing the maximum limits on the number of members in a partnership or limited partnership, company or association. It repeals consequentially section 127 of the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52) which exempts employers' associations from the 20 member limit in section 716.

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