STATUTORY RULES OF NORTHERN IRELAND

2004 No. 307

PARTNERSHIP

Limited Liability Partnerships Regulations (Northern Ireland) 2004

Made - - - - 22nd July 2004
To be laid before Parliament under paragraph 7(3) of the Schedule to the Northern Ireland Act 2000

Coming into operation 13th September 2004

The Department of Enterprise, Trade and Investment, in exercise of the powers conferred on it by sections 10, 11, 12 and 13 of the Limited Liability Partnerships Act (Northern Ireland) 2002(**1**) and of every other power enabling it in that behalf, hereby makes the following Regulations:

PART I

CITATION, COMMENCEMENT AND INTERPRETATION

Citation and commencement

1. These Regulations may be cited as the Limited Liability Partnerships Regulations (Northern Ireland) 2004 and shall come into operation on 13th September 2004.

Interpretation

2. In these Regulations –

"the 1986 Order" means the Companies (Northern Ireland) Order 1986(**2**);

"the 1986 Order" means the Insolvency (Northern Ireland) Order 1989(**3**);

"the 2000 Act" means the Financial Services and Markets Act 2000(**4**);

"limited liability partnership agreement", in relation to a limited liability partnership, means any agreement express or implied between the members of the limited liability partnership or between the limited liability partnership and the members of the limited liability partnership

(**1**) 2002 c. 12 (N.I.)
(**2**) S.I.1986/1032 (N.I. 6)
(**3**) S.I. 1989/2405 (N.I. 19)
(**4**) 2000 c. 8

which determines the mutual rights and duties of the members, and their rights and duties in relation to the limited liability partnership;

"the principal Act" means the Limited Liability Partnerships Act (Northern Ireland) 2002; and

"shadow member", in relation to limited liability partnerships, means a person in accordance with whose directions or instructions the members of the limited liability partnership are accustomed to act (but so that a person is not deemed a shadow member by reason only that the members of the limited liability partnership act on advice given by him in a professional capacity).

PART II

ACCOUNTS AND AUDIT

Application of the accounts and audit provisions of the 1986 Order to limited liability partnerships

3.—(1) Subject to paragraph (2), the provisions of Part VIII of the 1986 Order (Accounts and Audit)(**5**) shall apply to limited liability partnerships.

(2) The statutory provisions referred to in paragraph (1) shall apply to limited liability partnerships, except where the context otherwise requires, with the following modifications –

(a) references to a company shall include references to a limited liability partnership;

(b) references to a director or to an officer of a company shall include references to a member of a limited liability partnership;

(c) references to other provisions of the 1986 Order and to provisions of the 1986 Order shall include references to those provisions as they apply to limited liability partnerships in accordance with Parts III and IV;

(d) the modifications set out in Schedule 1; and

(e) such further modifications as the context requires for the purpose of giving effect to those provisions as applied by this Part.

(**5**) Article 229 was inserted into the 1986 Order by Article 4 of the Companies (Northern Ireland) Order 1990 (S.I. 1990/593 (N.I. 5)) in place of an existing Article of that number; Article 231 was inserted into the 1986 Order by Article 5 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number; Article 234 was inserted into the 1986 Order by Article 6 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number; Articles 235, 237 and 238 were inserted into the 1986 Order by Article 7 of the Companies (Northern Ireland) Order 1990 in place of existing Articles of those numbers. Article 253C was inserted into the 1986 Order by Article 14 of the Companies (Northern Ireland) Order 1990; Article 256 was inserted into the 1986 Order by Article 15(3) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and amended by S.R. 1997 No. 314 and S.I. 2001/3649; Article 256A was inserted into the 1986 Order by S.R. 1997 No. 436; Article 257 was inserted into the 1986 Order by Article 15(3) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and amended by S.R. 1992 No. 503. Article 264 was inserted into the 1986 Order by Article 21 of the Companies (Northern Ireland) Order 1990. The footnotes to Schedule 1 provide details of the amendments made to the provisions which are listed in that Schedule

PART III

COMPANIES (NORTHERN IRELAND) ORDER 1986 AND COMPANY DIRECTORS DISQUALIFICATION (NORTHERN IRELAND) ORDER 2002

Application of the remainder of the provisions of the 1986 Order and of the Company Directors Disqualification (Northern Ireland) Order 2002 to limited liability partnerships

4.—(1) The provisions of the 1986 Order specified in the first column of Part I of Schedule 2 shall apply to limited liability partnerships, except where the context otherwise requires, with the following modifications –

(a) references to a company shall include references to a limited liability partnership;

(b) references to the Companies Orders shall include references to the principal Act and regulations made thereunder;

(c) references to the 1986 Order shall include references to that Order as it applies to limited liability partnerships by virtue of Part IV;

(d) references in a provision of the 1986 Order to other provisions of that Order shall include references to those other provisions as they apply to limited liability partnerships by virtue of these Regulations;

(e) references to the memorandum of association of a company shall include references to the incorporation document of a limited liability partnership;

(f) references to a shadow director shall include references to a shadow member;

(g) references to a director of a company or to an officer of a company shall include references to a member of a limited liability partnership;

(h) the modifications, if any, specified in the second column of Part I of Schedule 2 opposite the provision specified in the first column; and

(i) such further modifications as the context requires for the purpose of giving effect to that legislation as applied by these Regulations.

(2) The provisions of the Company Directors Disqualification (Northern Ireland) Order 2002(**6**) shall apply to limited liability partnerships, except where the context otherwise requires, with the following modifications –

(a) references to a company shall include references to a limited liability partnership;

(b) references to the Companies Orders shall include references to the principal Act and regulations made thereunder and references to the companies legislation shall include references to the principal Act, regulations made thereunder and to any statutory provision applied by regulations to limited liability partnerships;

(c) references to the 1986 Order shall include references to that Order as it applies to limited liability partnerships by virtue of Part IV;

(d) references to the memorandum of association of a company shall include references to the incorporation document of a limited liability partnership;

(e) references to a shadow director shall include references to a shadow member;

(f) references to a director of a company or to an officer of a company shall include references to a member of a limited liability partnership;

(g) the modifications, if any, specified in the second column of Part II of Schedule 2 opposite the provision specified in the first column; and

(**6**) S.I. 2002/3150 (N.I. 4)

(h) such further modifications as the context requires for the purpose of giving effect to that legislation as applied by these Regulations.

PART IV

WINDING UP AND INSOLVENCY

Application of the 1986 Order to limited liability partnerships

5.—(1) Subject to paragraph (2), Parts I to V, VII and XI to XIV of the 1986 Order shall apply to limited liability partnerships.

(2) The provisions of the 1986 Order referred to in paragraph (1) shall apply to limited liability partnerships, except where the context otherwise requires, with the following modifications –

(a) references to a company shall include references to a limited liability partnership;

(b) references to a director or to an officer of a company shall include references to a member of a limited liability partnership;

(c) references to a shadow director shall include references to a shadow member;

(d) references to the 1986 Order, the Companies (Northern Ireland) Order 1990(**7**), the Companies (No. 2) (Northern Ireland) Order 1990(**8**), the Company Directors Disqualification (Northern Ireland) Order 2002 or to any provisions of those Orders or to any provision of the 1986 Order shall include references to those Orders or provisions as they apply to limited liability partnerships by virtue of the principal Act;

(e) references to the memorandum of association of a company and to the articles of association of a company shall include references to the limited liability partnership agreement of a limited liability partnership;

(f) the modifications set out in Schedule 3; and

(g) such further modifications as the context requires for the purpose of giving effect to that legislation as applied by these Regulations.

PART V

FINANCIAL SERVICES AND MARKETS

Application of provisions contained in Parts XV and XXIV of the 2000 Act to limited liability partnerships

6.—(1) Subject to paragraph (2), sections 215(3), (4) and (6), 356, 359(1) to (4), 361 to 365, 367, 370 and 371 of the 2000 Act shall apply to limited liability partnerships.

(2) The provisions of the 2000 Act referred to in paragraph (1) shall apply to limited liability partnerships, except where the context otherwise requires, with the following modifications –

(a) references to a company shall include references to a limited liability partnership;

(b) references to a body shall include references to a limited liability partnership; and

(**7**) S.I. 1990/593 (N.I. 5)
(**8**) S.I. 1990/1504 (N.I. 10)

(c) references to the 1986 Order, the 1986 Order or to any of the provisions of those Orders shall include references to those Orders or provisions as they apply to limited liability partnerships by virtue of the principal Act.

PART VI

DEFAULT PROVISION AND EXPULSION

Default provision for limited liability partnerships

7. The mutual rights and duties of the members and the mutual rights and duties of the limited liability partnership and the members shall be determined, subject to the provisions of the general law and to the terms of any limited liability partnership agreement, by the following rules:

(1) All the members of a limited liability partnership are entitled to share equally in the capital and profits of the limited liability partnership.

(2) The limited liability partnership must indemnify each member in respect of payments made and personal liabilities incurred by him –

(a) in the ordinary and proper conduct of the business of the limited liability partnership; or

(b) in or about anything necessarily done for the preservation of the business or property of the limited liability partnership.

(3) Every member may take part in the management of the limited liability partnership.

(4) No member shall be entitled to remuneration for acting in the business or management of the limited liability partnership.

(5) No person may be introduced as a member or voluntarily assign an interest in a limited liability partnership without the consent of all existing members.

(6) Any difference arising as to ordinary matters connected with the business of the limited liability partnership may be decided by a majority of the members, but no change may be made in the nature of the business of the limited liability partnership without the consent of all the members.

(7) The books and records of the limited liability partnership are to be made available for inspection at the registered office of the limited liability partnership or at such other place as the members think fit and every member of the limited liability partnership may when he thinks fit have access to and inspect and copy any of them.

(8) Each member shall render true accounts and full information of all things affecting the limited liability partnership to any member or his legal representatives.

(9) If a member, without the consent of the limited liability partnership, carries on any business of the same nature as and competing with the limited liability partnership, he must account for and pay over to the limited liability partnership all profits made by him in that business.

(10) Every member must account to the limited liability partnership for any benefit derived by him without the consent of the limited liability partnership from any transaction concerning the limited liability partnership, or from any use by him of the property of the limited liability partnership, name or business connection.

Expulsion

8. No majority of the members can expel any member unless a power to do so has been conferred by express agreement between the members.