

Limited Liability Partnerships

An LLP is a form of legal business entity that gives the benefits of limited liability but allows its members the flexibility of organising their internal structure as a traditional partnership. They are intended for businesses which carry on a trade or profession, and are particularly attractive to larger professional partnerships.

LLPs are in law regarded as ‘bodies corporate’ and are subject to aspects of company law, but for tax they will generally be treated as ‘partnerships’. The members provide working capital and share any profits. Members who are individuals will be liable to pay income tax under the Schedule D rules, and self-employed Class 2 and Class 4 National Insurance contributions. Members who are companies will be liable to pay corporation tax on their share of profits.

Although, the liability of the members will normally be limited, the firm itself, and any negligent members, will be liable to the full extent of their assets.

LLP disclosure requirements are very similar to those of a company, including the filing of annual accounts (audited where necessary). There are also similar rules for the filing of annual returns, and notifying changes in members’ details or the location of the Registered Office. However, the LLP agreement remains confidential

Every LLP must have at least two, formally appointed, *Designated Members*, who carry responsibilities similar to those of a Company Secretary.

The name of an LLP is used in a comparable way to that of a company, and is displayed in the format *Millionaire Limited Liability Partnership*, or *Millionaire LLP*, and there are corresponding restrictions on the use of similar or sensitive names.