

KEY FACTS

There are three forms of partnership in UK law that require registration:

- Limited Liability Partnerships
- English Limited Partnerships
- Scottish Limited Partnerships

LIMITED LIABILITY PARTNERSHIPS (LLP)
Key Features

An LLP resembles a limited company in two key respects:

- It has a separate legal personality.
- The liability of its partners (known as members) is limited.

An LLP is similar to a partnership in that:

- It is transparent for tax purposes.
- There are no capital requirements for formation.

Note: The LLP, though having partnership law roots, shares many of the same fiscal features of the US Limited Liability Company legislation.

Formation

- An LLP is formed by two natural or legal persons carrying on a lawful business with a view to profit.
- A standard incorporation document must be filed at Companies House which includes a statement, by either a solicitor engaged in the formation of the LLP or a subscriber to the establishment documents, confirming that the registration formalities of the LLP Act have been complied with.
- Members of an LLP are not required to enter into a formal partnership agreement.

Capital Requirements

There are no minimum capital requirements.

Public Filings

- The identity of members and People with Significant Control (PSCs) must be provided to Companies House and this information is available on public record. However, service addresses may be provided for members and PSCs.
- An annual confirmation statement and annual financial statements must be filed with Companies House.

Registered Office

All LLPs must have a registered office located either in England and Wales or Scotland.

KEY FACTS
Governance

- There must be at least two designated members of the LLP.
- Designated members are responsible for preparing and submitting statutory information to the UK Revenue and the Registrar of Companies. Designated members are responsible for filing a range of statutory documents, such as the annual accounts, annual confirmation statement and details of changes in membership.

Taxation

As a general rule LLPs will be treated as transparent for tax purposes with tax on the income and gains of the LLP being levied at the member level only.

Non-UK Members

- A UK LLP that has non-UK resident members and which does not carry on business in the UK or trade with the UK and does not have UK source income, will not subject its members to UK tax. The members will be treated as non-residents earning non-UK source income.
- Where the majority of the members of the LLP are not UK resident, the LLP is managed and controlled from outside the UK and is not taxed in the UK on its profits, certificates of tax residency cannot be obtained from the UK Revenue. In other words, members of the LLP cannot, in these circumstances, utilise any Double Tax Agreements that the UK may have with other countries.
- Any goods sold into the UK by the LLP may result in UK source income being earned which will be fully taxable. Such UK source income will be taxable in the hands of the non-resident partners who will be required to file self-assessment returns with the UK Revenue.
- A UK LLP may be treated as a corporate body in the country in which its members are resident and for this reason it may be advantageous for members from certain countries. Accordingly, we recommend that consideration be given to the tax consequences of using an LLP in a member's home country.

Value Added Tax (VAT)

- For VAT purposes, a UK LLP will be treated as a corporate body. As such the LLP itself will become liable for VAT registration subject to the normal registration rules.
- If a UK LLP does not have any connection with the UK there is no requirement to register for VAT.

ENGLISH LIMITED PARTNERSHIPS (ELP)
Key Features

- Does not have separate legal personality from its partners.
- Tax transparent.
- A common vehicle for Private Equity Funds.

Formation

- An ELP is formed by at least two persons, one of whom must be a general partner and one a limited partner.
- Until an ELP is registered it will be treated as a general partnership and the limited partners will not enjoy limited liability.
- Registration of the ELP is made at Companies House under the Limited Partnership Act 1907.

Capital Requirements

Limited partners usually contribute a small amount of capital and provide the main funding by way of loans.

KEY FACTS
Public Filings

- The formation document is usually the only document that needs to be filed.
- If all the partners are companies an ELP must file accounts with Companies House.

Place of Business

An ELP must have a place of business in England or Wales.

Governance

- An ELP is formed by two or more natural or legal persons. The number should not exceed twenty.
- At least one of the partners will be a general partner liable for all debts and obligations of the partnership. The other partners will usually be limited partners who will contribute capital. Limited partners are not liable for the debts and obligations of the partnership beyond amounts contributed as capital.
- A person cannot be both a general partner and a limited partner at the same time.
- The general partner will manage the partnership. Limited partners may participate in management but, if they do so, they lose their limited liability.
- Limited partners may not draw out any part of their capital contribution during the lifetime of the partnership. For this reason, in practice, it is usual for limited partners to contribute a small amount of capital and to provide the main funding by way of loan.

Taxation

- An ELP is fiscally transparent and tax is levied at the partner level only.
- If all the partners are non-resident, the partnership does not trade in the UK and has no UK source income or gains then non-resident partners are not subject to tax in the UK.
- An ELP is not entitled to any tax treaty benefits.

VAT

For VAT purposes only an ELP is treated as a taxable person. As such an ELP may become liable for VAT registration subject to the normal registration rules.

SCOTTISH LIMITED PARTNERSHIPS (SLP)
Key Features

- An SLP has a separate legal personality from its partners.
- An SLP must have a place of business in Scotland.
- In all other respects the SLP is the same as an English Limited Partnership.

This memorandum is for guidance purposes only and should not be viewed as constituting legal or tax advice.

Please contact any Trident Trust office worldwide for further information about our services and fees. Office contact details are included on the following page.

Trident Company Services (UK) Ltd
 54 Portland Place
 London W1B 1DY, United Kingdom
 Tel +44-20-7487 0460
 Fax +44-20-7487 0461
 corpservices@tridenttrust.com

*Registered in England and Wales
 Registration Number 390449*

EUROPE
GUERNSEY

Trident Trust Company (Guernsey) Ltd
 Tel +44-1481-727571
 Fax +44-1481-723162
 guernsey@tridenttrust.com

ISLE OF MAN

Trident Trust Company (IOM) Ltd
 Tel +44-1624-646700
 Fax +44-1624-620588
 iom@tridenttrust.com

JERSEY

Trident Trust Company Ltd
 Tel +44-1534-733401
 Fax +44-1534-727195
 jersey@tridenttrust.com

LUXEMBOURG

Trident Trust Company (Luxembourg) S.A.
 Tel +352-26-30-28-48
 Fax +352-26-30-28-49
 luxembourg@tridenttrust.com

MALTA

Trident Trust Company (Malta) Ltd
 Tel +356 21 434 525
 Fax +356 21 434 595
 malta@tridenttrust.com

SWITZERLAND

Zurich
Trident Corporate Services AG
 Tel +41-44-396 1080
 Fax +41-44-396 1081
 switzerland@tridenttrust.com

Geneva

Integritas Trust S.A.
 Tel +41-22-715-2760
 Fax +41-22-732-3674
 switzerland@integritastrust.com
 www.integritastrust.com

UNITED KINGDOM

Trident Trust Company (UK) Ltd
 Tel +44-20-7935-1503
 Fax +44-20-7935-7242
 uk@tridenttrust.com

Trident Company Services (UK) Ltd

Tel +44-20-7487-0460
 Fax +44-20-7487-0461
 corpservices@tridenttrust.com

THE AMERICAS / CARIBBEAN
BAHAMAS

Trident Corporate Services (Bahamas) Ltd
 Tel +1-242-322-6154
 Fax +1-242-328-1064
 bahamas@tridenttrust.com

Integritas Trust Company Ltd

Tel +1-242-322-2200
 Fax +1-242-322-2030
 bahamas@integritastrust.com
 www.integritastrust.com

BARBADOS

Trident Corporate Services (Barbados) Ltd
 Tel +1-246-621-0760
 Fax +1-246-431-0591
 barbados@tridenttrust.com

BRITISH VIRGIN ISLANDS

Trident Trust Company (BVI) Ltd
 Tel +1-284-494-2434
 Fax +1-284-494-3754
 bvi@tridenttrust.com

CAYMAN ISLANDS

Trident Trust Company (Cayman) Ltd
 Tel +1-345-949-0880
 Fax +1-345-949-0881
 cayman@tridenttrust.com

NEVIS

Meridian Trust Company Ltd
 Tel +1-869-469-1333
 Fax +1-869-469-0968
 nevis@tridenttrust.com

PANAMA

Trident Trust (Panama) S.A.
 Tel +507-302-7494
 Fax +507-302-7497
 panama@tridenttrust.com

UNITED STATES

New York
Trident Corporate Services, Inc
 Tel +1-212-840-8280
 Fax +1-212-944-5923
 nyc@tridenttrust.com

Atlanta

Trident Corporate Services, Inc
 Tel +1-404-233-5275
 Fax +1-404-233-9629
 usa@tridenttrust.com

Sioux Falls

Trident Trust Company (South Dakota) Inc
 Tel +1-605-679-4355
 Fax +1-605-679-4357
 sd@tridenttrust.com

Miami

Integritas, Inc
 Tel +1-305-405-9006
 Fax +1-305-416-3143
 usa@integritastrust.com
 www.integritastrust.com

US VIRGIN ISLANDS

Trident Trust Company (VI) Ltd
 Tel +1-340-774-7322
 Fax +1-340-776-0651
 usvi@tridenttrust.com

ASIA / PACIFIC
HONG KONG

Trident Corporate Services (Asia) Ltd
 and **Trident Trust Company (HK) Ltd**
 Tel +852-2805-2000
 Fax +852-2850-4090
 hongkong@tridenttrust.com

NEW ZEALAND

Trident Trust Company (NZ) Ltd
 Tel +64-9-300-6067
 Fax +64-9-379-6973
 nz@tridenttrust.com

SINGAPORE

Trident Trust Company (Singapore) Pte Ltd
 Tel +65-6653 1800
 Fax +65-6653 1849
 singapore@tridenttrust.com

MIDDLE EAST / AFRICA
CYPRUS

Trident Trust Company (Cyprus) Ltd
 Tel +357-258-20-650
 Fax +357-253-61-857
 cyprus@tridenttrust.com

Trident Fiduciaries (Middle East) Ltd

Tel +357-253-53-520
 Fax +357-258-18-808
 fiduciariesme@tridenttrust.com

DUBAI

Trident Trust Company (UAE) Ltd DMCC Branch
 Tel +971-4-423-9988
 Fax +971-4-450-4411
 dubai@tridenttrust.com

MAURITIUS

Trident Trust Company (Mauritius) Ltd
 Tel +230-210-9770
 Fax +230-210-1266
 mauritius@tridenttrust.com

SEYCHELLES

Trident Trust Company (Seychelles) Ltd
 Tel +248-4-422-000
 Fax +248-4-422-010
 seychelles@tridenttrust.com