

[AS PASSED BY THE NATIONAL ASSEMBLY]

A

Bill

to make provisions for the incorporation, regulation and winding up of limited liability partnerships as body corporate and for matters connected therewith or incidental thereto.

WHEREAS it is expedient to make provisions for the formation and regulation of limited liability partnerships and for matters connected therewith or incidental thereto;

It is hereby enacted as follows:-

**PART I
PRELIMINARY**

1. Short title, extent and commencement.- (1) This Act may be called the Limited Liability Partnership Act, 2017.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. Definitions.- (1) In this Act, unless the context otherwise requires,—

(a) "address" in relation to a partner of a limited liability partnership, means,—

(i) if an individual, his usual residential address or service address provided by him; and

(ii) if a body corporate or company, the address of its registered office;

(b) "advocate" means an Advocate within the meaning of the Legal Practitioners and Bar Councils Act, 1973 (XXXV of 1973);

- (c) "Appellate Bench" means Appellate Bench of the Commission constituted under sub-section (2) of section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (d) "body corporate" includes,—
- (i) limited liability partnership registered under this Act;
 - (ii) limited liability partnership registered or incorporated outside Pakistan; and
 - (iii) company incorporated outside Pakistan, but does not include,—
 - (a) sole proprietorship;
 - (b) co-operative society registered under any law relating to cooperative societies; and
 - (c) any other body corporate, not being a company as defined in the Ordinance, which the Federal Government may, by notification in the official Gazette, specify in this behalf;
- (e) "business" includes every trade, profession and occupation;
- (f) "chartered accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Ordinance, 1961 (X of 1961) and who has obtained a certificate of practice under sub-section (1) of section 6 thereto;
- (g) "Commission" means Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (h) "cost and management accountant" means a cost and management accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966);
- (i) "Court" means the Company Bench of a High Court as provided in section 7 and section 8 of the Ordinance;
- (j) "designated partner" means any partner designated as such pursuant to section 10;

- (k) "financial year" means the period commencing on the first day of July of any year and ending on the thirtieth day of June of the succeeding year;
- (l) "firm" shall have the same meaning as assigned to it under the Partnership Act, 1932 (IX of 1932);
- (m) "foreign limited liability partnership" means a limited liability partnership that is formed, registered or incorporated outside Pakistan;
- (n) "limited liability partnership" means a partnership registered under this Act;
- (o) "limited liability partnership agreement" means any written agreement between partners of the limited liability partnership which determines mutual rights and duties of the partners and their rights and duties in relation to the limited liability partnership;
- (p) "officer" in relation to a limited liability partnership, means,-
 - (i) any manager of the limited liability partnership;
 - (ii) a receiver and manager of any part of the undertaking of the limited liability partnership appointed under a power contained in any instrument; and
 - (iii) any liquidator of the limited liability partnership appointed in a voluntary winding up.
- (q) "Ordinance" means the Companies Ordinance, 1984 (XLVII of 1984);
- (r) "partner", in relation to a limited liability partnership, means any person who has been admitted as a partner in the limited liability partnership in accordance with the limited liability partnership agreement;
- (s) "prescribed" means prescribed through regulations made by the Commission for carrying out the purposes of this Act; and
- (t) "Registrar" means a Registrar an Additional, a Joint, a Deputy or an Assistant Registrar, performing under this Act the duty of registering limited liability partnership;

(2) The words and expressions used but not defined in this Act shall have the same meaning as defined in the Companies and Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

PART II NATURE OF LIMITED LIABILITY PARTNERSHIP

3. Separate legal personality.—(1) A limited liability partnership shall be a body corporate by registration under this Act and shall be a legal entity separate from its partners.

(2) A limited liability partnership shall have perpetual succession.

(3) Any change in the partners of a limited liability partnership shall not affect the existence, rights or liabilities of the Limited Liability Partnership.

4. Capacity and execution of documents—(1) A limited liability partnership shall, by its name, be capable to —

- (a) sue and be sued;
- (b) acquire, own, hold and develop or dispose of property of every description, both movable and immovable;
- (c) have a common seal; and
- (d) do and suffer such other acts and things as bodies corporate may lawfully do and suffer.

(2) An agreement in writing made before the registration of a limited liability partnership, between the persons who subscribe their names to the incorporation document, may impose obligations on the limited liability partnership:

Provided that such agreement is ratified by all the partners after the registration of the limited liability partnership:

Provided further that prior to ratification by the limited liability partnership, the person or persons who purported to act in the name or on behalf of the limited liability partnership shall in the absence of express agreement to the contrary be personally bound by the contract or other transaction and entitled to the benefit thereof.

(3) Contracts on behalf of a limited liability partnership shall be made in writing under common seal of the limited liability partnership and any contract so made shall be effectual in law and shall bind the limited liability partnership and its successors and all parties thereto.

(4) A document or proceeding requiring authentication by a limited liability partnership may be signed by a designated partner of the limited liability partnership.

(5) A limited liability partnership may by writing under its common seal empower any person, either generally or in respect of any specified matters, as its agent or attorney to execute deeds on its behalf and a deed signed by such an agent or attorney on behalf of the limited liability partnership and under his seal or, subject to sub-sections (7) and (8), under the appropriate official seal of the limited liability partnership shall bind it and have the same effect as if it were under its common seal.

(6) The authority of any such agent or attorney specified under sub-section (5) shall as between the limited liability partnership and any person dealing with him continue during the period, if any, mentioned in the instrument conferring the authority or if no period is therein mentioned then until notice of the revocation or determination of his authority has been given to the person dealing with him.

(7) The name of a limited liability partnership shall appear in legible letters on —

(a) its seal; and

(b) all business letters, statements of account, invoices, official notices, publications, bills of exchange, promissory notes, endorsements, cheques, orders, receipts and letters of credit of or purporting to be issued or signed by or on behalf of the limited liability partnership.

(8) If an officer of a limited liability partnership or any person on its behalf —

(a) uses or authorises the use of any seal purporting to be a seal of the limited liability partnership whereon its name does not so appear;

(b) issues or authorises the issue of any business letter, statement of accounts, invoice or official notice wherein its name is not so mentioned; or

(c) signs, issues or authorises to be signed or issued on behalf of the limited liability partnership any bill of exchange, promissory note, cheque or other negotiable instrument or any endorsement, order, receipt or letter of credit wherein its name is not so mentioned,

he shall be guilty of an offence punishable with a fine which may extend to five hundred thousand rupees.

PART III REGISTRATION