

REGISTRATION OF LIMITED LIABILITY PARTNERSHIP (LLP)

Limited Liability Partnership (LLP)

- Limited Liability of a Private Limited Company
- Flexibility of a Partnership Firm
- Lesser compliances and regulations
- LLP is a separate legal entity and a juristic person distinct from its partners and both can sue each other and be sued.
- Cost of Forming an LLP is low
- No requirement of minimum capital contribution
- The minimum number of partners to incorporate an LLP is 2.
- There is no upper limit on the maximum number of partners of LLP.
- Among the partners, there should be minimum two designated partners who shall be individuals, and at least one of them should be resident in India.
- Designated Partners are directly responsible for the compliance of all the provisions of LLP Act 2008 and provisions specified in LLP agreement.
- The rights and duties of designated partners are governed by the LLP agreement.
- There is no audit requirement up to turnover of less than 40 Lakhs and capital contribution of less than 25 Lakh.

- The ownership of a LLP can be easily transferred to another person.

Steps to form a limited liability partnership

Step 1: Digital Signature Certificate (DSC)

Apply for the digital signature of the designated partners of the proposed LLP. This is because all the documents for LLP are filed online and are required to be digitally signed.

Step 2: Designated Partner (Director) Identification Number (DPIN/DIN)

Apply for the DPIN (DIN) of all the designated partners or those intending to be designated partner of the proposed LLP.

The application for allotment of DPIN (DIN) has to be made in Form DIR-3.

Step 3: Reservation of Name

LLP- RUN (Limited Liability Partnership-Reserve Unique Name) is filed for the reservation of name of proposed LLP which shall be processed by the Central Registration Centre under Non-STP.

Also, refer to the LLP name availability guidelines prescribed under section-15 read with Rule-18 of LLP Rules, 2009.

The approved name of LLP shall be valid for a period of 3 months from the date of approval. If the proposed LLP is not incorporated within such period, the name shall be lapsed and will be available for other applicant/ LLP. Please note that there shall not be any provision for renewal of the name.

Name of the LLP shall end with either 'Limited Liability Partnership' or 'LLP'.

Step 4: Incorporation of LLP

1. The form used for incorporation is FiLLiP(Form for incorporation of Limited Liability Partnership) which shall be filed with the Registrar who has a jurisdiction over the state in which the registered office of the LLP is situated. The form will be an integrated form.
2. This form also provides for applying for allotment of DPIN, if an individual who is to be appointed as a designated partner does not have a DPIN or DIN.
3. The application for allotment shall be allowed to be made by two individuals only.
4. The application for reservation may be made through FiLLiP too.
5. If the name that is applied for is approved, then this approved and reserved name shall be filled as the proposed name of the LLP

Step 5: File Limited Liability Partnership Agreement

LLP agreement governs the mutual rights and duties amongst the partners and also between the LLP and its partners.

- LLP agreement must be filed in form 3 online on MCA Portal.
- Form 3 for LLP agreement has to be filed within 30 days of the date of incorporation.
- The LLP Agreement has to be printed on Stamp Paper. The value of Stamp Paper is different for every state.
- Every partner shall inform the LLP of any change in his name or address within a period of fifteen days of such change. The LLP, in turn, would be under obligation to file such details with the Registrar within thirty days of such change in Form 4.

A. Documents of Partners

1. PAN Card/ ID Proof of Partners – All the partners are required to provide their PAN at the time of registering LLP. PAN card acts as a primary ID proof.

2. Address Proof of Partners – Partner can submit anyone document out of Voter's ID, Passport, Driver's license or Aadhar Card. Name and other details as per address proof and PAN card should be exactly same. If spelling of own name or father's name or date of birth is different in address proof and PAN card, it should be corrected before submitting to RoC.

3. Residence Proof of Partners – Latest bank statement, telephone bill, mobile bill, electricity bill or gas bill should be submitted as a residence proof. Such bill or statement shouldn't be more than 2-3 months old and must contain the name of partner as mentioned in PAN card.

4. Photograph – Partners should also provide their passport size photograph, preferably on white background.

5. Passport (in case of Foreign Nationals/ NRIs) – For becoming a partner in Indian LLP, foreign nationals and NRIs have to submit their passport compulsorily. Passport has to be notarized or apostilled by the relevant authorities in the country of such foreign nationals and NRI, else Indian Embassy situated in that country can also sign the documents.

Foreign Nationals or NRIs have to submit a proof of address also which will be a driving license, bank statement, residence card or any government issued identity proof containing the address. If the documents are in other than the English language, a notarized or apostilled translation copy will be also be attached.

B. Documents of LLP

1. Proof of Registered Office Address

Proof of registered office has to be submitted during registration, or within 30 days of its incorporation.

If the registered office is taken on rent, rent agreement and a no objection certificate from the landlord has to be submitted. No objection certificate will be the consent of the landlord to allow the LLP to use the place as 'registered office'.

Besides, anyone document out of utility bills like gas, electricity, or telephone bill must be submitted. The bill should contain complete address of the premise and owner's name and the document shouldn't be older than 2 months.

2. Digital Signature Certificate

One of the designated partners needs to opt for a digital signature certificate also since all documents and applications will be digitally signed by the authorized signatory.

Few Other Clarifications:

LLP is required to file LLP Form 8 (Statement of Account & Solvency) and LLP Form 11 (Annual Return) annually. The 'Annual Return' is required to be filed within 60 days of close of the financial year and 'Statement of Accounts & Solvency' shall be filed within 30 days from the

end of six months of the financial year to which it relates. Every LLP has to maintain uniform financial year ending on 31st March of a year.

Every LLP is required to file 'Statement of Accounts & Solvency' in prescribed LLP Form 8 which contains a declaration on the state of solvency of the LLP by the designated partners and also information related to statement of assets and liabilities and statement of income and expenditure of the LLP. This form has to be filed by the LLP on an annual basis.

Any existing private company or existing unlisted public company can be converted into LLP by complying with the Provisions of clause 58 and Schedule III and IV of the LLP Act. Form 18 needs to be filed with the registrar along with Form 2 for such conversion.

Only private / unlisted public company can be converted into LLP.

Any private company or unlisted public company can be converted into LLP. However, in this case LLP shall take same name as that of the company at the time of conversion.