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DEREGISTRATION/DISSOLUTION OF A LIMITED LIABILITY PARTNERSHIP

Did you know that you cannot deregister a Limited Liability Partnership at the moment?

The Limited Liability Partnership Act, 2011 do not have enabling provisions for deregistering a Limited Liability Partnership. There are also no accompanying Limited Liability Partnership regulations/guidelines on deregistration/dissolution. The Act only contains provisions on insolvency and winding up of Limited Liability Partnerships covered under Section 34 (1) and (2). Consequently, the only regulations available are the Limited Liability Partnerships Regulations, 2014 which were published on 12th September 2014.

Section 2 of the Insolvency Act, classifies a Limited Liability Partnership as a Company for purposes of the Insolvency Act and hence the process of winding up a Limited Liability Partnership.

Those Limited Liability Partnerships that have been wound up through the Insolvency Act, are still appearing on the e-citizen platform of the respective partners/managers. This is due to the fact that there is a lacuna between the Limited Liability Partnership Act, 2011 which came into force on 16th March 2012

and the Insolvency Act, 2015 which came into force with effect from 18th January 2016. There were amendments that were drafted to align the LLP Act, 2011 and the Insolvency Act, 2015 that have not been passed by Parliament.

A partner/manager of a Limited Liability Partnership that neither has asserts nor liabilities cannot make an application for deregistration/dissolution of a Limited Liability Partnership because there are no forms available for dissolution of the Limited Liability Partnership.

After the insolvency procedure is complete, the Registrar is expected to strike off the name of the Limited Liability Partnership from the Register, but this is not the case due to lack of enabling provisions and regulations.



Caveat

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