

## SCHEDULE 3

Regulation 5

## MODIFICATIONS TO THE 1986 ACT

| <b>Provisions</b>   | <b>Modifications</b>   |
|---|--|
| Section 1 (those who may propose an arrangement)  |  |
| subsection (1)  | For “The directors of a company” substitute “A limited liability partnership” and delete “to the company and”.   |
| subsection (3)  | At the end add “but where a proposal is so made it must also be made to the limited liability partnership”.  |
| The following modifications to sections 2 to 7 apply where a proposal under section 1 has been made by the limited liability partnership. |  |
| Section 2 (procedure where the nominee is not the liquidator or administrator)  |  |
| subsection (2)  | In paragraph (a) for “meetings of the company and of its creditors” substitute “a meeting of the creditors of the limited liability partnership”;  |
|   | In paragraph (b) for the first “meetings” substitute “a meeting” and for the second “meetings” substitute “meeting”.   |
| subsection (3)  | For “the person intending to make the proposal” substitute “the designated members of the limited liability partnership”.  |
| subsection (4)  | For “the person intending to make the proposal” substitute “the designated members of the limited liability partnership”.  |
| Section 3 (summoning of meetings)   |  |
| subsection (1)  | For “such meetings as are mentioned in section 2(2)” substitute “a meeting of creditors” and for “those meetings” substitute “that meeting”.   |
| subsection (2)  | Delete subsection (2).   |
| Section 4 (decisions of meetings)   |  |
| subsection (1)  | For “meetings” substitute “meeting”.   |
| subsection (5)  | For “each of the meetings” substitute “the meeting”.   |
| new subsection (5A)   | Insert a new subsection (5A) as follows—<br>“(5A) If modifications to the proposal are proposed at the meeting the chairman of the meeting shall, before the conclusion of the meeting, ascertain from the limited |

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <b>Provisions</b>                  | <b>Modifications</b>  |
|------------------------------------|---|
|                                    | liability partnership whether or not it accepts the proposed modifications; and if at that conclusion the limited liability partnership has failed to respond to a proposed modification it shall be presumed not to have agreed to it.”  |
| subsection (6)                     | For “either” substitute “the”; after “the result of the meeting”, in the first place where it occurs, insert “(including, where modifications to the proposal were proposed at the meeting, the response to those proposed modifications made by the limited liability partnership”); and at the end add “and to the limited liability partnership”.  |
| Section 5 (effect of approval)     |   |
| subsection (1)                     | For “each of the meetings” substitute “the meeting” and for “with the same modifications” substitute “with modifications agreed to by the limited liability partnership”.   |
| subsection (4)                     | For “each of the reports” substitute “the report”.  |
| Section 6 (challenge of decisions) |   |
| subsection (1)                     | For “meetings” substitute “meeting” and for “either of the meetings” substitute “the meeting”.  |
| subsection (2)                     | For “either of the meetings” substitute “the meeting” and after paragraph (a) add a new paragraph (aa) as follows—<br>“(aa) any member of the limited liability partnership; and”   |
|                                    | Omit the word “and” at the end of paragraph (b) and omit paragraph (c).   |
| subsection (3)                     | For “each of the reports” substitute “the report”.  |
| subsection (4)                     | For subsection (4) substitute the following—<br>“(4) Where on such an application the court is satisfied as to either of the grounds mentioned in subsection (1), it may do one or both of the following, namely—<br>(a) revoke or suspend the approval given by the meeting;<br>(b) give a direction to any person for the summoning of a further meeting to consider any revised proposal the limited liability partnership may make or, in a case falling within |

| Provisions   | Modifications   |
|--|---|
|  | subsection (1)(b), a further meeting to consider the original proposal.”.   |
| subsection (5)   | For the first “meetings” substitute “a meeting”, for the second “meetings” substitute “meeting” and for “person who made the original proposal” substitute “limited liability partnership”.       |
| Section 7 (implementation of proposal)   |   |
| subsection (1)   | For “meetings” substitute “meeting”.  |
| The following modifications to sections 2 and 3 apply where a proposal under section 1 has been made, where an administration order is in force in relation to the limited liability partnership, by the administrator or, where the limited liability partnership is being wound up, by the liquidator. |   |
| Section 2 (procedure where the nominee is not the liquidator or administrator)   |   |
| subsection (2)   | In paragraph (a) for “meetings of the company” substitute “meetings of the members of the limited liability partnership”.   |
| Section 3 (summoning of meetings)  |   |
| subsection (2)   | For “meetings of the company” substitute “a meeting of the members of the limited liability partnership”.   |
| Section 8 (power of court to make order)(1)  |   |
| subsection (1A)  | Omit subsection (1A).   |
| subsection (4)   | Omit subsection (4).  |
| Section 9 (application for order)(2)   |   |
| subsection (1)   | Delete “, or the directors”.  |
| Section 10 (effect of application)   |   |
| subsection (1)   | In paragraph (a) for “no resolution may be passed” to the end of the subsection substitute “no determination may be made or order made for the winding up of the limited liability partnership.”. |
| Section 11 (effect of order)   |   |
| subsection (3)   | In paragraph (a) for “no resolution may be passed” to the end of the subsection substitute “no determination may be made or order made for the winding up of the limited liability partnership.”. |
| Section 13 (appointment of administrator)  |   |

(1) Section 8 was amended by section 108 of, and Schedule 6 to, the Banking Act 1987 (c. 22).

(2) Section 9 was amended by section 62 of the Criminal Justice Act 1988 (c. 33) and by section 107 of, and paragraph 3 of Schedule 16 to, the Companies Act 1989 (c. 40).

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

| <b>Provisions</b>  | <b>Modifications</b>   |
|--|--|
| subsection (3)   | In paragraph (c) delete “or the directors”.  |
| Section 14 (general powers)  |  |
| subsection (2)   | For paragraph (a) substitute—<br>“(a) to prevent any person from taking part in the management of the business of the limited liability partnership and to appoint any person to be a manager of that business, and”<br>and at the end add the following—<br>“Subsections (3) and (4) of section 92 shall apply for the purposes of this subsection as they apply for the purposes of that section.”   |
| Section 73 (alternative modes of winding up)                         |  |
| subsection (1)   | Delete “, within the meaning given to that expression by section 735 of the Companies Act,”.   |
| Section 74 (liability as contributories of present and past members) |  |
| For section 74 there shall be substituted the following—             | <p>“74. When a limited liability partnership is wound up every present and past member of the limited liability partnership who has agreed with the other members or with the limited liability partnership that he will, in circumstances which have arisen, be liable to contribute to the assets of the limited liability partnership in the event that the limited liability partnership goes into liquidation is liable, to the extent that he has so agreed, to contribute to its assets to any amount sufficient for payment of its debts and liabilities, and the expenses of the winding up, and for the adjustment of the rights of the contributories among themselves.</p> <p>However, a past member shall only be liable if the obligation arising from such agreement survived his ceasing to be a member of the limited liability partnership.”</p> |
| Section 75 to 78   | Delete sections 75 to 78.  |
| Section 79 (meaning of “contributory”)                               |  |
| subsection (1)   | In subsection (1) for “every person” substitute  |

| <b>Provisions</b>  | <b>Modifications</b>  |
|--|---|
|  | “(a) every present member of the limited liability partnership and (b) every past member of the limited liability partnership”.   |
| subsection (2)   | After “section 214 (wrongful trading)” insert “or<br><b>214A</b> (adjustment of withdrawals)”.  |
| subsection (3)   | Delete subsection (3).  |
| Section 83 (companies registered under Companies Act, Part XXII, Chapter II) | Delete section 83.  |
| Section 84 (circumstances in which company may be wound up voluntarily)      |   |
| subsection (1)   | For subsection (1) substitute the following—<br>“(1) A limited liability partnership may be wound up voluntarily when it determines that it is to be wound up voluntarily.”   |
| subsection (2)   | Omit subsection (2).  |
| subsection (3)   | For subsection (3) substitute the following—<br>“(3) Within 15 days after a limited liability partnership has determined that it be wound up there shall be forwarded to the registrar of companies either a printed copy or else a copy in some other form approved by the registrar of the determination.”        |
| subsection (4)   | After subsection (3) insert a new subsection (4)<br>—<br>“(4) If a limited liability partnership fails to comply with this regulation the limited liability partnership and every designated member of it who is in default is liable on summary conviction to a fine not exceeding level 3 on the standard scale.” |
| Section 85 (notice of resolution to wind up)                                 |   |
| subsection (1)   | For subsection (1) substitute the following—<br>“(1) When a limited liability partnership has determined that it shall be wound up voluntarily, it shall within 14 days after the making of the determination give notice of the determination by advertisement in the Gazette.”                                    |
| Section 86 (commencement of winding up)                                      | Substitute the following new section—   |

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

| Provisions  | Modifications   |
|---|---|
|   | <p>“86. A voluntary winding up is deemed to commence at the time when the limited liability partnership determines that it be wound up voluntarily.”.</p>   |
| Section 87 (effect on business and status of company)                           |   |
| subsection (2)  | In subsection (2), for “articles” substitute “limited liability partnership agreement”.   |
| Section 88 (avoidance of share transfers, etc. after winding-up resolution)     |   |
|   | For “shares” substitute “the interest of any member in the property of the limited liability partnership”.  |
| Section 89 (statutory declaration of solvency)                                  |   |
| subsection (2)  | <p>For “director(s)” wherever it appears in section 89 substitute “designated member(s)”;</p> <p>For paragraph (a) substitute the following—</p> <p>    “(a) it is made within the 5 weeks immediately preceding the date when the limited liability partnership determined that it be wound up voluntarily or on that date but before the making of the determination, and”.</p> |
| subsection (3)  | For “the resolution for winding up is passed” substitute “the limited liability partnership determined that it be wound up voluntarily”.  |
| subsection (5)  | For “in pursuance of a resolution passed” substitute “voluntarily”.   |
| Section 90 (distinction between “members” and “creditors” voluntary winding up) |   |
|   | For “directors” substitute “designated members”.  |
| Section 91 (appointment of liquidator)  |   |
| subsection (1)  | Delete “in general meeting”.  |
| subsection (2)  | <p>For the existing wording substitute</p> <p>    “(2) On the appointment of a liquidator the powers of the members of the limited liability partnership shall cease except to the extent that a meeting of the members of the limited liability partnership summoned for the purpose or the liquidator sanctions their continuance.”</p> <p>After subsection (2) insert—</p>     |

| <b>Provisions</b>  | <b>Modifications</b>  |
|--|---|
|  | “(3) Subsections (3) and (4) of section 92 shall apply for the purposes of this section as they apply for the purposes of that section.”  |
| Section 92 (power to fill vacancy in office of liquidator) |   |
| subsection (1)   | For “the company in general meeting” substitute “a meeting of the members of the limited liability partnership summoned for the purpose”.   |
| subsection (2)   | For “a general meeting” substitute “a meeting of the members of the limited liability partnership”.   |
| subsection (3)   | In subsection (3), for “articles” substitute “limited liability partnership agreement”.   |
| new subsection (4)   | Add a new subsection (4) as follows—<br>“(4) The quorum required for a meeting of the members of the limited liability partnership shall be any quorum required by the limited liability partnership agreement for meetings of the members of the limited liability partnership and if no requirement for a quorum has been agreed upon the quorum shall be 2 members.” |
| Section 93 (general company meeting at each year’s end)    |   |
| subsection (1)   | For “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| new subsection (4)   | Add a new subsection (4) as follows—<br>“(4) subsections (3) and (4) of section 92 shall apply for the purposes of this section as they apply for the purposes of that section.”  |
| Section 94 (final meeting prior to dissolution)            |   |
| subsection (1)   | For “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| new subsection (5A)  | Add a new subsection (5A) as follows—<br>“(5A) Subsections (3) and (4) of section 92 shall apply for the purposes of this section as they apply for the purposes of that section.”  |
| subsection (6)   | For “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| Section 95 (effect of company’s insolvency)                |   |

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <b>Provisions</b>   | <b>Modifications</b>   |
|---|--|
| subsection (1)  | For “directors” substitute “designated members”.   |
| subsection (7)  | For subsection (7) substitute the following—<br>“(7) In this section ‘the relevant period’ means the period of 6 months immediately preceding the date on which the limited liability partnership determined that it be wound up voluntarily.”   |
| Section 96 (conversion to creditors' voluntary winding up)          |  |
| paragraph (a)   | For “directors” substitute “designated members”.   |
| paragraph (b)   | Substitute a new paragraph (b) as follows—<br>“(b) the creditors' meeting was the meeting mentioned in section 98 in the next Chapter;”.   |
| Section 98 (meeting of creditors)                                   |  |
| subsection (1)  | For paragraph (a) substitute the following—<br>“(a) cause a meeting of its creditors to be summoned for a day not later than the 14th day after the day on which the limited liability partnership determines that it be wound up voluntarily;”. |
| subsection (5)  | For “were sent the notices summoning the company meeting at which it was resolved that the company be wound up voluntarily” substitute “the limited liability partnership determined that it be wound up voluntarily”.                           |
| Section 99 (directors to lay statement of affairs before creditors) |  |
| subsection (1)  | For “the directors of the company” substitute “the designated members” and for “the director so appointed” substitute “the designated member so appointed”.  |
| subsection (2)  | For “directors” substitute “designated members”.   |
| subsection (3)  | For “directors” substitute “designated members” and for “director” substitute “designated member”.   |
| Section 100 (appointment of liquidator)                             |  |
| subsection (1)  | For “The creditors and the company at their respective meetings mentioned in section 98” substitute “The creditors at their meeting  |



**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <b>Provisions</b>   | <b>Modifications</b>  |
|---|---|
|   | mentioned in section 98 and the limited liability partnership”.   |
| subsection (3)  | Delete “director.”.   |
| Section 101 (appointment of liquidation committee)                                      |   |
| subsection (2)  | For subsection (2) substitute the following—<br>“(2) If such a committee is appointed, the limited liability partnership may, when it determines that it be wound up voluntarily or at any time thereafter, appoint such number of persons as they think fit to act as members of the committee, not exceeding 5.”  |
| Section 105 (meetings of company and creditors at each year’s end)                      |   |
| subsection (1)  | For “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| new subsection (5)  | Add a new subsection (5) as follows—<br>“(5) Subsections (3) and (4) of section 92 shall apply for the purposes of this section as they apply for the purposes of that section.”  |
| Section 106 (final meeting prior to dissolution)  |   |
| subsection (1)  | For “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| new subsection (5A)   | After subsection (5) insert a new subsection (5A) as follows—<br>“(5A) Subsections (3) and (4) of section 92 shall apply for the purposes of this section as they apply for the purposes of that section.”  |
| subsection (6)  | For “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| Section 110 (acceptance of shares, etc., as consideration for sale of company property) |   |
|   | For the existing section substitute the following:<br>“(1) This section applies, in the case of a limited liability partnership proposed to be, or being, wound up voluntarily, where the whole or part of the limited liability partnership’s business or property is proposed to be transferred or sold to another company whether or not it is a company within the meaning of the |

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| Provisions | Modifications  |
|------------|--|
|            | <p>Companies Act (“the transferee company”) or to a limited liability partnership (“the transferee limited liability partnership”).</p> <p>(2) With the requisite sanction, the liquidator of the limited liability partnership being, or proposed to be, wound up (“the transferor limited liability partnership”) may receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee company or the transferee limited liability partnership for distribution among the members of the transferor limited liability partnership.</p> <p>(3) The sanction required under subsection (2) is—</p> <ul style="list-style-type: none"> <li>(a) in the case of a members' voluntary winding up, that of a determination of the limited liability partnership at a meeting of the members of the limited liability partnership conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, (subsections (3) and (4) of section 92 to apply for this purpose as they apply for the purposes of that section), and</li> <li>(b) in the case of a creditor’s voluntary winding up, that of either court or the liquidation committee.</li> </ul> <p>(4) Alternatively to subsection (2), the liquidator may (with the sanction) enter into any other arrangement whereby the members of the transferor limited liability partnership may, in lieu of receiving cash, shares, policies or other like interests (or in addition thereto), participate in the profits, or receive any other benefit from the transferee company or the transferee limited liability partnership.</p> <p>(5) A sale or arrangement in pursuance of this section is binding on members of the transferor limited liability partnership.</p> <p>(6) A determination by the limited liability partnership is not invalid for the purposes of this section by reason that it is made before or concurrently with a determination by the limited liability partnership that it be wound up voluntarily or for appointing liquidators; but, if an order is made within a year for winding up</p> |

| <b>Provisions</b>  | <b>Modifications</b>   |
|--|--|
| Section 111 (dissent from arrangement under section 110)<br>subsections (1)—(3)    | the limited liability partnership by the court, the determination by the limited liability partnership is not valid unless sanctioned by the court.”<br><br>For subsections (1)–(3) substitute the following<br><br>“(1) This section applies in the case of a voluntary winding up where, for the purposes of section 110(2) or (4), a determination of the limited liability partnership has provided the sanction requisite for the liquidator under that section.<br><br>(2) If a member of the transferor limited liability partnership who did not vote in favour of providing the sanction required for the liquidator under section 110 expresses his dissent from it in writing addressed to the liquidator and left at the registered office of the limited liability partnership within 7 days after the date on which that sanction was given, he may require the liquidator either to abstain from carrying the arrangement so sanctioned into effect or to purchase his interest at a price to be determined by agreement or arbitration under this section.<br><br>(3) If the liquidator elects to purchase the member’s interest, the purchase money must be paid before the limited liability partnership is dissolved and be raised by the liquidator in such manner as may be determined by the limited liability partnership.” |
| subsection (4)   | Omit subsection (4).   |
| Section 117 (high court and county court jurisdiction)<br>subsection (2)           | Delete “Where the amount of a company’s share capital paid up or credited as paid up does not exceed £120,000, then (subject to this section)”.  |
| subsection (3)   | Delete subsection (3).   |
| Section 120 (court of session and sheriff court jurisdiction)(3)<br>subsection (3) | Delete “Where the amount of a company’s share capital paid up or credited as paid up does not exceed £120,000.”.   |

(3) Section 120 was amended by section 52 of, and Part III of Schedule 2 to, the Court of Session Act 1988 (c. 36).

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <b>Provisions</b>  | <b>Modifications</b>   |
|--|--|
| subsection (5)   | Delete subsection (5).   |
| Section 122 (circumstances in which company may be wound up by the court)(4) |  |
| subsection (1)   | For subsection (1) substitute the following—<br>“(1) A limited liability partnership may be wound up by the court if—<br>(a) the limited liability partnership has determined that the limited liability partnership be wound up by the court,<br>(b) the limited liability partnership does not commence its business within a year from its incorporation or suspends its business for a whole year,<br>(c) the number of members is reduced below two,<br>(d) the limited liability partnership is unable to pay its debts, or<br>(e) the court is of the opinion that it is just and equitable that the limited liability partnership should be wound up.” |
| Section 124 (application for winding up)(5)                                  |  |
| subsections (2), (3) and (4)(a)  | Delete these subsections.  |
| Section 124A (petition for winding-up on grounds of public interest)(6)      |  |
| subsection (1)   | Omit paragraph (b).  |
| Section 126 (power to stay or restrain proceedings against company)          |  |
| subsection (2)   | Delete subsection (2).   |
| Section 127 (avoidance of property dispositions, etc.)                       |  |
|  | For “any transfer of shares” substitute “any transfer by a member of the limited liability partnership of his interest in the property of the limited liability partnership”.  |
| Section 129 (commencement of winding up by the court)                        |  |

(4) Section 122 was amended by regulation 2 of, and paragraph 8 of the Schedule to, S.I.1992/1699.

(5) Section 124 was amended by section 62 of the Criminal Justice Act 1988 (c. 40) and by section 60 of the Companies Act 1989 (c. 40).

(6) Section 124A was inserted by section 60 of the Companies Act 1989 (c. 40).

| <b>Provisions</b>  | <b>Modifications</b>  |
|--|---|
| subsection (1)   | For “a resolution has been passed by the company” substitute “a determination has been made” and for “at the time of the passing of the resolution” substitute “at the time of that determination”.             |
| Section 130 (consequences of winding-up order)                               |   |
| subsection (3)   | Delete subsection (3).  |
| Section 148 (settlement of list of contributories and application of assets) |   |
| subsection (1)   | Delete “, with power to rectify the register of members in all cases where rectification is required in pursuance of the Companies Act or this Act,”.   |
| Section 149 (debts due from contributory to company)                         |   |
| subsection (1)   | Delete “the Companies Act or”.  |
| subsection (2)   | Delete subsection (2).  |
| subsection (3)   | Delete “, whether limited or unlimited,”.   |
| Section 160 (delegation of powers to liquidator (England and Wales))         |   |
| subsection (1)   | In subsection (1)(b) delete “and the rectifying of the register of members”.  |
| subsection (2)   | For subsection (2) substitute the following—<br>“(2) But the liquidator shall not make any call without the special leave of the court or the sanction of the liquidation committee.”                           |
| Section 165 (voluntary winding up)   |   |
| subsection (2)   | In paragraph (a) for “an extraordinary resolution of the company” substitute “a determination by a meeting of the members of the limited liability partnership”.  |
| subsection (4)   | For paragraph (c) substitute the following—<br>“(c) summon meetings of the members of the limited liability partnership for the purpose of obtaining their sanction or for any other purpose he may think fit.” |
| new subsection (4A)  | Insert a new subsection (4A) as follows—<br>“(4A) Subsections (3) and (4) of section 92 shall apply for the purposes of this section as they apply for the purposes of that section.”                           |

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <b>Provisions</b>   | <b>Modifications</b>   |
|---|--|
| Section 166 (creditors' voluntary winding up)<br>subsection (5)                       | In paragraph (b) for “directors” substitute “designated members”.  |
| Section 171 (removal, etc. (voluntary winding up))<br>subsection (2)                  | For paragraph (a) substitute the following—<br>“(a) in the case of a members' voluntary winding up, by a meeting of the members of the limited liability partnership summoned specially for that purpose, or”.   |
| subsection (6)  | In paragraph (a) for “final meeting of the company” substitute “final meeting of the members of the limited liability partnership” and in paragraph (b) for “final meetings of the company” substitute “final meetings of the members of the limited liability partnership”. |
| new subsection (7)  | Insert a new subsection (7) as follows—<br>“(7) Subsections (3) and (4) of section 92 are to apply for the purposes of this section as they apply for the purposes of that section.”   |
| Section 173 (release (voluntary winding up))<br>subsection (2)                        | In paragraph (a) for “a general meeting of the company” substitute “a meeting of the members of the limited liability partnership”.  |
| Section 183 (effect of execution or attachment (England and Wales))<br>subsection (2) | Delete paragraph (a).  |
| Section 184 (duties of sheriff (England and Wales))(7)<br>subsection (1)              | For “a resolution for voluntary winding up has been passed” substitute “the limited liability partnership has determined that it be wound up voluntarily”.   |
| subsection (4)  | Delete “or of a meeting having been called at which there is to be proposed a resolution for voluntary winding up,” and “or a resolution is passed (as the case may be)”.  |
| Section 187 (power to make over assets to employees)                                  | Delete section 187.  |

(7) Section 184 was amended by article 2 of, and Part I of the Schedule to, S.I. 1986/1996.

| <b>Provisions</b>   | <b>Modifications</b>  |
|---|---|
| Section 194 (resolutions passed at adjourned meetings)  | After “contributories” insert “or of the members of a limited liability partnership”.   |
| Section 195 (meetings to ascertain wishes of creditors or contributories)<br>subsection (3)     | Delete “the Companies Act or”.  |
| Section 206 (fraud, etc. in anticipation of winding up)(8)<br>subsection (1)                    | For “passes a resolution for voluntary winding up” substitute “makes a determination that it be wound up voluntarily”.  |
| Section 207 (transactions in fraud of creditors)<br>subsection (1)                              | For “passes a resolution for voluntary winding up” substitute “makes a determination that it be wound up voluntarily”.  |
| Section 210 (material omissions from statement relating to company’s affairs)<br>subsection (2) | For “passed a resolution for voluntary winding up” substitute “made a determination that it be wound up voluntarily”.   |
| Section 214 (wrongful trading)<br>subsection (2)  | Delete from “but the court shall not” to the end of the subsection.   |
| After section 214   | Insert the following new section 214A<br><b>“214A Adjustment of withdrawals</b><br>(1) This section has effect in relation to a person who is or has been a member of a limited liability partnership where, in the course of the winding up of that limited liability partnership, it appears that subsection (2) of this section applies in relation to that person.<br>(2) This subsection applies in relation to a person if—<br>(a) within the period of two years ending with the commencement of the winding up, he was a member of the limited liability partnership who withdrew |

(8) Section 206 was amended by article 2 of, and Part I of the Schedule to, S.I. 1986/1996.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| Provisions | Modifications  |
|------------|--|
|            | <p>property of the limited liability partnership, whether in the form of a share of profits, salary, repayment of or payment of interest on a loan to the limited liability partnership or any other withdrawal of property, and</p> <p>(b) it is proved by the liquidator to the satisfaction of the court that at the time of the withdrawal he knew or had reasonable ground for believing that the limited liability partnership—</p> <ul style="list-style-type: none"><li>(i) was at the time of the withdrawal unable to pay its debts within the meaning of section 123, or</li><li>(ii) would become so unable to pay its debts after the assets of the limited liability partnership had been depleted by that withdrawal taken together with all other withdrawals (if any) made by any members contemporaneously with that withdrawal or in contemplation when that withdrawal was made.</li></ul> <p>(3) Where this section has effect in relation to any person the court, on the application of the liquidator, may declare that that person is to be liable to make such contribution (if any) to the limited liability partnership's assets as the court thinks proper.</p> <p>(4) The court shall not make a declaration in relation to any person the amount of which exceeds the aggregate of the amounts or values of all the withdrawals referred to in subsection (2) made by that person within the period of two years referred to in that subsection.</p> <p>(5) The court shall not make a declaration under this section with respect to any person unless that person knew or ought to have concluded that after each</p> |



**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| Provisions   | Modifications  |
|--|--|
|  | <p>withdrawal referred to in subsection (2) there was no reasonable prospect that the limited liability partnership would avoid going into insolvent liquidation.</p> <p>(6) For the purposes of subsection (5) the facts which a member ought to know or ascertain and the conclusions which he ought to reach are those which would be known, ascertained, or reached by a reasonably diligent person having both:</p> <ul style="list-style-type: none"><li>(a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that member in relation to the limited liability partnership, and</li><li>(b) the general knowledge, skill and experience that that member has.</li></ul> <p>(7) For the purposes of this section a limited liability partnership goes into insolvent liquidation if it goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up.</p> <p>(8) In this section “member” includes a shadow member.</p> <p>(9) This section is without prejudice to section 214.”</p> |
| Section 215 (proceedings under ss 213,214)                                 |  |
| subsection (1)   | Omit the word “or” between the words “213” and “214” and insert after “214” “or 214A”.   |
| subsection (2)   | For “either section” substitute “any of those sections”.   |
| subsection (4)   | For “either section” substitute “any of those sections”.   |
| subsection (5)   | For “Sections 213 and 214” substitute “Sections 213, 214 or 214A”.   |
| Section 218 (prosecution of delinquent officers and members of company)(9) |  |

(9) Section 218 was amended by section 78 of the Companies Act 1989 (c. 40).

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

| <b>Provisions</b>  | <b>Modifications</b>   |
|--|--|
| subsection (1)   | For “officer, or any member, of the company” substitute “member of the limited liability partnership”.   |
| subsections (3), (4) and (6)   | For “officer of the company, or any member of it,” substitute “officer or member of the limited liability partnership”.  |
| Section 233 (supplies of gas, water, electricity etc.) <sup>(10)</sup> |  |
| subsection (1)   | For paragraph (c) substitute the following—<br>“(c) a voluntary arrangement under Part I has taken effect in accordance with section 5”.   |
| subsection (4)   | For paragraph (c) substitute the following—<br>“(c) the date on which the voluntary arrangement took effect in accordance with section 5”.   |
| Section 247 (“insolvency” and “go into liquidation”)                   |  |
| subsection (2)   | For “passes a resolution for voluntary winding up” substitute “makes a determination that it be wound up voluntarily” and for “passing such a resolution” substitute “making such a determination”.  |
| Section 249 (“connected with a company”)                               | For the existing words substitute<br>“For the purposes of any provision in this Group of Parts, a person is connected with a company (including a limited liability partnership) if—<br>(a) he is a director or shadow director of a company or an associate of such a director or shadow director (including a member or a shadow member of a limited liability partnership or an associate of such a member or shadow member); or<br>(b) he is an associate of the company or of the limited liability partnership.” |
| Section 250 (“member” of a company)                                    | Delete section 250.  |
| Section 251 (expressions used generally)                               | Delete the word “and” appearing after the definition of “the rules” and insert the word “and” after the definition of “shadow director”.   |

<sup>(10)</sup> Section 233 was amended by section 112 of, and paragraph 35 of Schedule 16 to, the Electricity Act 1989 (c. 29), by section 190 of, and paragraph 78 of Schedule 25 to, the Water Act 1989 (c. 15), by section 203 of, and paragraph 43 of Schedule 20 to, the Broadcasting Act 1990 (c. 42).

| Provisions  | Modifications   |
|---|---|
|   | After the definition of “shadow director” insert the following—<br>““shadow member”, in relation to a limited liability partnership, means a person in accordance with whose directions or instructions the members of the limited liability partnership are accustomed to act (but so that a person is not deemed a shadow member by reason only that the members of the limited liability partnership act on advice given by him in a professional capacity);”. |
| Section 386 (categories of preferential debts)(11)            |   |
| subsection (1)  | In subsection (1), omit the words “or an individual”.   |
| subsection (2)  | In subsection (2), omit the words “or the individual”.  |
| Section 387 (“the relevant date”)                             |   |
| subsection (3)  | In paragraph (c) for “passing of the resolution for the winding up of the company” substitute “making of the determination by the limited liability partnership that it be wound up voluntarily”.   |
| subsection (5)  | Omit subsection (5).  |
| subsection (6)  | Omit subsection (6).  |
| Section 388 (meaning of “act as insolvency practitioner”)(12) |   |
| subsection (2)  | Omit subsection (2).  |
| subsection (3)  | Omit subsection (3).  |
| subsection (4)  | Delete ““company” means a company within the meaning given by section 735(1) of the Companies Act or a company which may be wound up under Part V of this Act (unregistered companies);” and delete ““interim trustee” and “permanent trustee” mean the same as the Bankruptcy (Scotland) Act 1985”.  |
| Section 389 (acting without qualification an offence)(13)     |   |

(11) Section 386 was amended by section 7 of, and Schedule 2 to, the Finance Act 1991 (c. 22) (as inserted by section 9 of the Finance (No. 2) Act 1992 (c. 48), by section 36 of the Finance Act 1993 (c. 34), by S.I. 1987/2093 and by section 190 of and Schedule 8 to the Pension Schemes Act 1993 (c. 48).

(12) Section 388 was amended by regulation 15 of S.I. 1994/2421, by section 11(1) of the Bankruptcy (Scotland) Act 1993 (c. 6) and by article 4 of S.I. 1993/438.

(13) Section 389 was amended by section 11 of the Bankruptcy (Scotland) Act 1993 (c. 6).

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

| <b>Provisions</b>  | <b>Modifications</b>  |
|--|---|
| subsection (1)   | Omit the words “or an individual”.  |
| Section 402 (official petitioner)  | Delete section 402.   |
| Section 412 (individual insolvency rules (England and Wales))                          | Delete section 412.   |
| Section 415 (Fees orders (individual insolvency proceedings in England and Wales))     | Delete section 415.   |
| Section 416 (monetary limits (companies winding up))                                   |   |
| subsection (1)   | In subsection (1), omit the words “section 117(2) (amount of company’s share capital determining whether county court has jurisdiction to wind it up);” and the words “section 120(3) (the equivalent as respects sheriff court jurisdiction in Scotland);”.  |
| subsection (3)   | In subsection (3), omit the words “117(2), 120(3) or”.  |
| Section 418 (monetary limits (bankruptcy))   | Delete section 418.   |
| Section 420 (insolvent partnerships)   | Delete section 420.   |
| Section 421 (insolvent estates of deceased persons)                                    | Delete section 421.   |
| Section 422 (recognised banks, etc.) <b>(14)</b>                                       | Delete section 422.   |
| Section 427 (parliamentary disqualification)   | Delete section 427.   |
| Section 429 (disabilities on revocation or administration order against an individual) | Delete section 429.   |
| Section 432 (offences by bodies corporate)   |   |
| subsection (2)   | Delete “secretary or”.  |
| Section 435 (meaning of “associate”)   |   |
| new subsection (3A)  | Insert a new subsection (3A) as follows—<br>“(3A) A member of a limited liability partnership is an associate of that limited liability partnership and of every other member of that limited liability partnership and of the husband or wife or relative of every other member of that limited liability partnership.”. |
| subsection (11)  | For subsection (11) there shall be substituted  |

**(14)** Section 422 was amended by section 108 of, and Schedule 6 to, the Banking Act 1987 (c. 22).

| Provisions   | Modifications  |
|--|--|
| Section 436 (expressions used generally)           | <p>“(11) In this section “company” includes any body corporate (whether incorporated in Great Britain or elsewhere); and references to directors and other officers of a company and to voting power at any general meeting of a company have effect with any necessary modifications.”</p> <p>The following expressions and definitions shall be added to the section—</p> <p>“designated member” has the same meaning as it has in the Limited Liability Partnerships Act 2000;</p> <p>“limited liability partnership” means a limited liability partnership formed and registered under the Limited Liability Partnerships Act 2000;</p> <p>“limited liability partnership agreement”, in relation to a limited liability partnership, means any agreement, express or implied, made between the members of the limited liability partnership or between the limited liability partnership and the members of the limited liability partnership which determines the mutual rights and duties of the members, and their rights and duties in relation to the limited liability partnership.</p> |
| Section 437 (transitional provisions, and savings) | Delete section 437.  |
| Section 440 (extent (Scotland))<br>subsection (2)  | In subsection (2), omit paragraph (b).   |
| Section 441 (extent (Northern Ireland))            | Delete section 441.  |
| Section 442 (extent (other territories))           | Delete section 442.  |
| Schedule 1<br>Paragraph 19                         | <p>For paragraph 19 substitute the following—</p> <p>“<b>19.</b> Power to enforce any rights the limited liability partnership has against the members under the terms of the limited liability partnership agreement.”</p>  |

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <b>Provisions</b>      | <b>Modifications</b>   |
|------------------------|--|
| Schedule 10(15)        |  |
| Section 85(2)          | In the entry relating to section 85(2) for “resolution for voluntary winding up” substitute “making of determination for voluntary winding up”.                  |
| Section 89(4)          | In the entry relating to section 89(4) for “Director” substitute “Designated member”.  |
| Section 93(3)          | In the entry relating to section 93(3) for “general meeting of the company” substitute “meeting of members of the limited liability partnership”.                |
| Section 99(3)          | In the entries relating to section 99(3) for “director” and “directors” where they appear substitute “designated member” or “designated members” as appropriate. |
| Section 105(3)         | In the entry relating to section 105(3) for “company general meeting” substitute “meeting of the members of the limited liability partnership”.                  |
| Section 106(6)         | In the entry relating to section 106(6) for “final meeting of the company” substitute “final meeting of the members of the limited liability partnership”.       |
| Sections 353(1) to 362 | Delete the entries relating to sections 353(1) to 362 inclusive.   |
| Section 429(5)         | Delete the entry relating to section 429(5).   |

(15) Certain entries in Column 5 of Schedule 10 were repealed by section 212 of, and Schedule 24 to, the Companies Act 1989 (c. 40).