

**EXPLANATORY MEMORANDUM TO THE HOUSE OF LORDS SELECT
COMMITTEE ON THE MERITS OF STATUTORY INSTRUMENTS**

**LIMITED LIABILITY PARTNERSHIPS (FEES) REGULATIONS (NORTHERN
IRELAND) 2004 No. 396**

1.1 This explanatory memorandum has been prepared by the Department of Enterprise, Trade and Investment and is laid before Parliament by Command of Her Majesty.

1.2 This memorandum contains information for the House of Lords Select Committee on the Merits of Statutory Instruments.

2. Description

2.1 The Regulations establish fees payable in respect of certain functions performed by the registrar of companies under the Limited Liability Partnerships Act (Northern Ireland) 2002 (“the 2002 Act”)(c.12 (N.I.)) and under provisions of the Companies (Northern Ireland) Order 1986 (“the 1986 Order”)(S.I. 1986/1032 (N.I.6)) as applied to limited liability partnerships (LLPs).

2.2 The Regulations are made under powers conferred on the Department of Enterprise, Trade and Investment by Article 657(1) and (2) of the 1986 Order as applied to LLPs by regulation 4 of, and Schedule 2 to, the Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004 No.307).

3. Matters of special interest to the Select Committee

3.1 None

4. Legislative background

4.1 The 2002 Act was given Royal Assent in November 2002 and provides the framework for LLPs which are a new form of business vehicle. This statutory rule follows the Limited Liability Partnerships Regulations (Northern Ireland) 2004 which came into operation on 13 September 2004. Regulation 4 of, and Schedule 2 to, these Regulations apply Article 657 of the 1986 Order (fees payable to registrar) to LLPs.

4.2 The statutory rule prescribes fees payable to the registrar of companies by LLPs. During the current period of suspension of the Northern Ireland Assembly this statutory rule is required to be laid before Parliament under the negative resolution procedure (see paragraph 7(3) of the Schedule to the Northern Ireland Act 2000 (c.1)).

5. Extent

5.1 These Regulations apply to Northern Ireland only. The corresponding Great Britain Regulations are the Limited Liability Partnerships (Fees) (No.2) Regulations 2001 (S.I. 2001/969, as amended by S.I. 2002/2895).

6. European Convention on Human Rights

6.1 Barry Gardiner, MP, Minister for Enterprise, Trade and Investment has made the following statement under section 19(1)(a) of the Human Rights Act 1998 (c.42): "In my view, the provisions of the Limited Liability Partnerships (Fees) Regulations (Northern Ireland) 2004 are compatible with the Convention rights".

7. Policy Background

7.1 Under current legislation in Northern Ireland, people who wish to take an active part in the business they own, while limiting their personal liability for the debts of that business, have to organise as a company. The LLP concept offers an alternative option.

7.2 LLPs are regulated by company law and associated insolvency provisions, modified as appropriate and applied to them, by the Limited Liability Partnerships Regulations (Northern Ireland) 2004. LLPs will be registered and regulated by the registrar of companies. The costs incurred by the registrar for the performance of certain functions will be offset by the fees established in the Limited Liability Partnerships (Fees) Regulations (Northern Ireland) 2004.

7.3 There has been a low level of interest in LLPs in Northern Ireland. Fees have therefore been set initially at the same level as those for limited companies.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for these Regulations. The decision to form an LLP is a voluntary one based on commercial considerations and the fees established ensure that compliance costs are comparable to those for a limited liability company. The Regulations have no impact on existing businesses, charities or voluntary bodies.

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