



Companies Act 1985

1985 CHAPTER 6

PART XXV

MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

716 Prohibition of partnerships with more than 20 members

- (1) No company, association or partnership consisting of more than 20 persons shall be formed for the purpose of carrying on any business that has for its object the acquisition of gain by the company, association or partnership, or by its individual members, unless it is registered as a company under this Act, or is formed in pursuance of some other Act of Parliament, or of letters patent.
- (2) However, this does not prohibit the formation—
 - (a) for the purpose of carrying on practice as solicitors, of a partnership consisting of persons each of whom is a solicitor;
 - (b) for the purpose of carrying on practice as accountants, of a partnership consisting of persons each of whom falls within either paragraph (a) or (b) of section 389(1) (qualifications of company auditors);
 - (c) for the purpose of carrying on business as members of a recognised stock exchange, of a partnership consisting of persons each of whom is a member of that stock exchange.
- (3) The Secretary of State may by regulations in a statutory instrument provide that subsection (1) shall not apply to the formation (otherwise than as permitted by subsection (2)), for a purpose specified in the regulations, of a partnership of a description so specified.
- (4) In this section "solicitor"—
 - (a) in relation to England and Wales, means solicitor of the Supreme Court, and
 - (b) in relation to Scotland, means a person enrolled or deemed enrolled as a solicitor in pursuance of the Solicitors (Scotland) Act 1980.
- (5) Subsection (1) does not apply in relation to any body of persons for the time being approved for the purposes of the Marine and Aviation Insurance (War Risks) Act 1952

Status: This is the original version (as it was originally enacted).

by the Secretary of State, being a body the objects of which are or include the carrying on of business by way of the re-insurance of risks which may be re-insured under any agreement for the purpose mentioned in section 1(1)(b) of that Act.