



Economic Crime and Corporate Transparency Act 2023

2023 CHAPTER 56

PART 2

PARTNERSHIPS

CHAPTER 1

LIMITED PARTNERSHIPS ETC.

Dissolution, winding up and sequestration

129 Dissolution and winding up: modifications of general law

- (1) The Limited Partnerships Act 1907 is amended as follows.
- (2) In section 4 (definition and constitution of limited partnership)—
 - (a) in subsection (2), after “firm” insert “(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)”;
 - (b) in subsections (2A) and (2B)(b), after “firm” insert “(including debts or obligations incurred in accordance with section 38 of the Partnership Act 1890)”;
 - (c) in subsection (3), after “firm” insert “(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)”.
- (3) In section 6 (modifications of general law in case of limited partnerships)—
 - (a) in subsection (1), after “firm”, in the third place it occurs, insert “(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)”;
 - (b) for subsection (1A) substitute—

Status: Point in time view as at 26/04/2024.

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- “(1A) Section 6A (actions by limited partners) makes provision supplementing subsection (1).”;
- (c) in subsection (2) omit “or bankruptcy”;
- (d) after subsection (2) insert—

“(2A) A limited partnership shall not be dissolved under section 33(1) of the Partnership Act 1890 by the bankruptcy of a partner.

(2B) A limited partnership is dissolved if—

- (a) it ceases to have any general partners,
- (b) it ceases to have any limited partners, or
- (c) each general partner is either insolvent or disqualified under the directors disqualification legislation (see section 8J(3)), irrespective of whether they became insolvent or disqualified before or after this subsection comes into force.”;
- (e) omit subsection (3);
- (f) for subsections (3A) and (3B) substitute—

“(3A) If a limited partnership is dissolved at a time when the partnership has at least one general partner who is—

- (a) solvent, and
- (b) not disqualified under the directors disqualification legislation,

the general partners at that time who are solvent and are not so disqualified must either wind up the partnership’s affairs or take all reasonable steps to ensure that its affairs are wound up by a person who is not a partner at that time.

(3B) If a limited partnership is dissolved at a time when the partnership does not have a general partner who is—

- (a) solvent, and
- (b) not disqualified under the directors disqualification legislation,

the limited partners at that time who are solvent must take all reasonable steps to ensure that the partnership’s affairs are wound up by a person who is not a limited partner at that time.

(3BA) For enforcement of the duties under subsections (3A) and (3B) see section 29.”;

- (g) omit subsection (3C).

(4) In section 6A (private fund limited partnerships: actions by limited partners)—

- (a) in the heading, omit “private fund limited partnerships.”;
- (b) before subsection (1) insert—

“(A1) A limited partner in a limited partnership is not to be regarded as taking part in the management of the partnership business for the purposes of section 6(1) merely because the limited partner appoints a person to wind up the limited partnership pursuant to section 6(3B).”;

- (c) omit subsection (2)(b);
- (d) in subsection (4)—

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- (i) in paragraph (a), omit “private fund”;
- (ii) omit paragraph (b) and the “or” before it;
- (e) after subsection (4) insert—

“(5) Nothing in subsections (1) to (3) affects the circumstances in which a limited partner in a limited partnership that is not a private fund limited partnership may be regarded as taking part in the management of the partnership business.”

Commencement Information

II S. 129 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

130 Dissolution by the court when a partner has a mental disorder

- (1) In section 35 of the Partnership Act 1890 (dissolution by the Court), for paragraph (a) substitute—

“(a) When a partner has a mental disorder within the meaning of section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003 or section 305 of the Mental Capacity Act (Northern Ireland) 2016 (as the case may be):”.

- (2) In section 6 of the Limited Partnerships Act 1907 (modifications of general law in case of limited partnerships), in subsection (2), omit the words from “, and” to the end.

Commencement Information

II S. 130 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

131 Winding up limited partnerships on grounds of public interest

After section 27 of the Limited Partnerships Act 1907 (inserted by section 144 of this Act) insert—

“Winding up: applications and petitions to the court

28 Winding up limited partnerships on grounds of public interest

- (1) Where it appears to the Secretary of State that it is expedient in the public interest for a limited partnership to be wound up, the Secretary of State may present a petition to the court for it to be wound up.
- (2) Where it appears to the Scottish Ministers that it is expedient in the public interest for a limited partnership registered in Scotland to be wound up, the Scottish Ministers may present a petition to the court for it to be wound up.
- (3) Where it appears to the Department for the Economy in Northern Ireland that it is expedient in the public interest for a limited partnership registered in Northern Ireland to be wound up, the Department may present a petition to the court for it to be wound up.

Status: Point in time view as at 26/04/2024.

Changes to legislation: There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Cross Heading: Dissolution, winding up and sequestration. (See end of Document for details)

- (4) The Secretary of State must consult the Scottish Ministers before presenting a petition under subsection (1) in respect of a limited partnership registered in Scotland.
- (5) The Secretary of State must consult the Department for the Economy in Northern Ireland before presenting a petition under subsection (1) in respect of a limited partnership registered in Northern Ireland.
- (6) If a petition is presented under this section, the court may wind up the limited partnership if the court is of the opinion that it is just and equitable for it to be wound up.
- (7) The power in subsection (6) does not limit any other power the court has in the same circumstances.”

Commencement Information

I3 S. 131 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

132 Winding up dissolved limited partnerships

After section 28 of the Limited Partnerships Act 1907 (inserted by section 131 of this Act) insert—

“29 Winding up dissolved limited partnerships

- (1) Where a limited partnership is dissolved and it appears to the court that there has been a failure to wind up the limited partnership under section 6(3A) or (3B) properly or at all, the court may make any order it considers appropriate, including an order—
 - (a) for the purposes of enforcing the duty in section 6(3A) or (3B),
 - (b) in connection with the performance of that duty, or
 - (c) to wind up the limited partnership.
- (2) The court may make an order under subsection (1) on an application by any of the following—
 - (a) the Secretary of State;
 - (b) the Scottish Ministers, but only if the limited partnership is registered in Scotland or they appear to the court to have sufficient interest for any other reason;
 - (c) the Department for the Economy in Northern Ireland, but only if the limited partnership is registered in Northern Ireland or the Department appears to the court to have sufficient interest for any other reason;
 - (d) any other person appearing to the court to have sufficient interest.
- (3) The Secretary of State must consult the Scottish Ministers before making an application for an order under subsection (1) in respect of a limited partnership registered in Scotland.
- (4) The Secretary of State must consult the Department for the Economy in Northern Ireland before making an application for an order under subsection (1) in respect of a limited partnership registered in Northern Ireland.

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- (5) The power in subsection (1) does not limit any other power the court has in the same circumstances.”

Commencement Information

I4 S. 132 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

133 Power to make provision about winding up

After section 29 of the Limited Partnerships Act 1907 (inserted by section 132 of this Act) insert—

“30 Power to make provision about winding up

- (1) The Secretary of State may by regulations make provision in relation to the winding up of a limited partnership under section 28 or 29 that corresponds or is similar to any provision of the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 (including any provision of that Act or Order that relates to the allocation of jurisdiction or distribution of business between courts in any part of the United Kingdom).
- (2) Before making regulations under subsection (1) the Secretary of State must—
- obtain the consent of the Department for the Economy in Northern Ireland, so far as the regulations relate to limited partnerships registered in Northern Ireland;
 - obtain the consent of the Scottish Ministers, so far as the regulations relate to limited partnerships registered in Scotland.
- (3) The provision that may be made by regulations under subsection (1) by virtue of section 38(1) includes provision amending, repealing or revoking provision made by or under either of the following, whenever passed or made—
- an Act;
 - Northern Ireland legislation.
- (4) Regulations under this section are subject to the affirmative resolution procedure.”

Commencement Information

I5 S. 133 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

134 Winding up of limited partnerships: concurrent proceedings

- (1) The Limited Partnerships Act 1907 is amended as follows.
- (2) In section 6 (modifications of general law in case of limited partnerships), for subsection (3D) substitute—

“(3D) Subsections (3A) and (3B) have effect subject to any order of a court as to the winding up of the affairs of the partnership and any award of sequestration of the partnership’s estate under the Bankruptcy (Scotland) Act 2016.”

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(3) After section 30 (inserted by section 133 of this Act) insert—

“31 Winding up of limited partnerships: concurrent proceedings

- (1) Where a petition under section 28 in respect of a limited partnership is pending, a general partner of the limited partnership who is or becomes aware of any of the circumstances mentioned in subsection (3) must notify the court to which the petition was presented.
- (2) Where an application under section 29 in respect of a limited partnership is pending—
 - (a) a general partner of the limited partnership who is or becomes aware any of the circumstances mentioned in subsection (3) must notify the court to which the application was made, and
 - (b) if the application was made by a person other than the Secretary of State, the applicant must notify the court to which the application was made if the applicant is or becomes aware of any of the circumstances mentioned in subsection (3).
- (3) The circumstances are that—
 - (a) a petition for sequestration of the limited partnership’s estate under the Bankruptcy (Scotland) Act 2016 is before a sheriff,
 - (b) an application to the Accountant in Bankruptcy for sequestration of the limited partnership’s estate under that Act is pending,
 - (c) sequestration has been awarded by virtue of any such petition or application and the limited partnership’s estate is being sequestrated,
 - (d) a trust deed in respect of the limited partnership’s estate has been sent to the Accountant in Bankruptcy for registration under that Act and the registration has not been refused,
 - (e) a protected trust deed (within the meaning of that Act) is in force in respect of the limited partnership’s estate,
 - (f) an application by the limited partnership for approval of a debt payment programme under the Debt Arrangement and Attachment (Scotland) Act 2002 is pending, or
 - (g) such a programme has been approved under that Act and has not been completed.
- (4) A person is not required to notify the court of circumstances under subsection (1) or (2) if another person has notified the court of those circumstances.
- (5) If a person fails to comply with subsection (1) or (2) an offence is committed by—
 - (a) the person, and
 - (b) if the person is a legal entity, any of its managing officers who is in default.
- (6) A person guilty of an offence under this section is liable on summary conviction—
 - (a) in England and Wales, to a fine;

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- (b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.
- (7) A managing officer is “in default” for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.
- (8) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.
- (9) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (8)).
- (10) For the purposes of this section a petition or application is “pending” if it has been presented or made and it has not fallen, been withdrawn or been determined.

32 Power to amend circumstances for notification under section 31

- (1) The Secretary of State or the Scottish Ministers may by regulations amend the list in section 31(3).
- (2) Before making regulations under subsection (1) the Secretary of State must obtain the consent of the Scottish Ministers.
- (3) Regulations made by the Secretary of State under subsection (1) are subject to the affirmative resolution procedure.
- (4) Regulations made by the Scottish Ministers under subsection (1) are subject to the affirmative procedure (see Part 2 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10)).”

Commencement Information

I6 S. 134 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

135 Sequestration of limited partnerships: concurrent winding up proceedings

- (1) The Bankruptcy (Scotland) Act 2016 is amended as follows.
- (2) In section 17 (concurrent proceedings for sequestration or analogous remedy)—
 - (a) in subsection (2)(b), after “awarded” insert “and the debtor’s estate is being sequestrated”;
 - (b) in subsection (2)(c)—
 - (i) omit “has been made”;
 - (ii) after “estate” insert “is pending”;
 - (c) in subsection (2)(d), after “application” insert “and the debtor’s estate is being sequestrated”;
 - (d) in subsection (2)(g), after “under” insert “section 28 of the Limited Partnerships Act 1907,”;
 - (e) after subsection (2)(g) insert—

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- “(ga) such a petition has been granted,
 - (gb) an application in respect of the debtor is before a court under section 29 of the Limited Partnerships Act 1907,
 - (gc) such an application has been granted,”;
- (f) after subsection (7) insert—

“(7A) For the purposes of subsection (2)(c), a debtor application is “pending” if it has been made and has not fallen, been withdrawn or been determined.”

(3) In section 18 (powers in relation to concurrent proceedings)—

- (a) in subsection (1), for “(g)” substitute “(gc)”;
- (b) in subsection (2), for “or (g)” substitute “, (g), (ga), (gb) or (gc)”;
- (c) in subsection (8), for “(g)” substitute “(gc)”.

Commencement Information

I7 S. 135 in force at Royal Assent for specified purposes, see **s. 219(1)(2)(b)**

Status:

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Changes to legislation:

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