



# Economic Crime and Corporate Transparency Act 2023

## 2023 CHAPTER 56

### PART 2

#### PARTNERSHIPS

#### CHAPTER 1

##### LIMITED PARTNERSHIPS ETC.

##### *The general partners*

### 118 Restrictions on general partners

- (1) The Limited Partnerships Act 1907 is amended as follows.
- (2) In section 8A (application for registration)—
  - (a) after subsection (1A) (inserted by section 113 of this Act) insert—

“(1B) The application must also contain a statement that none of the proposed general partners is disqualified under the directors disqualification legislation (see subsection (8)).”;
  - (b) in subsection (8), at the appropriate place insert—

““disqualified under the directors disqualification legislation”—

    - (a) in relation to a statement about a person delivered to the registrar for England and Wales or Scotland, means that the person falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;
    - (b) in relation to a statement about a person delivered to the registrar for Northern Ireland, means that the person falls within any of the entries in the first column of Part 2 of that table;”

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*Changes to legislation: There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 118. (See end of Document for details)*

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(3) After section 8I (inserted by section 116 of this Act) insert—

*“Duty to remove disqualified general partners*

**8J Duty to remove disqualified general partners**

- (1) The general partners in a limited partnership must take any steps that are necessary to ensure that any general partner in the limited partnership who is disqualified under the directors disqualification legislation (see subsection (3)) ceases to be a general partner.
- (2) Examples of the types of steps that the general partners might need to take include—
  - (a) enforcing any express or implied agreement between the partners;
  - (b) giving any notice, making any application or otherwise acting to dissolve the limited partnership.
- (3) A general partner in a limited partnership is “disqualified under the directors disqualification legislation” if—
  - (a) where the limited partnership is registered in England and Wales or Scotland, the general partner falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;
  - (b) where the limited partnership is registered in Northern Ireland, the general partner falls within any of the entries in the first column of Part 2 of that table.
- (4) Subsection (1) applies irrespective of whether the general partner concerned became disqualified under the directors disqualification legislation before or after this section comes into force.
- (5) If the general partners fail to comply with this section an offence is committed by each general partner who is in default.
- (6) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.
- (7) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—
  - (a) the managing officer is an individual who is in default, or
  - (b) the managing officer is a legal entity that is in default and one of its managing officers is in default.
- (8) A person guilty of an offence under this section is liable on summary conviction—
  - (a) in England and Wales, to a fine;
  - (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.

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**Changes to legislation:** There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 118. (See end of Document for details)

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- (9) A general partner or 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.”

**Commencement Information**

- II** S. 118 in force at Royal Assent for specified purposes, see **s. 219(1)(2)(b)**

**Changes to legislation:**

There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 118.