

LLP CHECKLIST

				Basic LLP Agreement Clause No.	Long LLP Agreement Clause No.	
1	General	Has the LLP been formed from a previous partnership and a Transfer Agreement entered into or is this a brand new business?		to existence following the transfer of so; the members of the LLP will some form of Transfer in this LLP Agreement to a be deleted if not necessary.	Preamble	Preamble
		<<Insert your Answer>>				
2		How many members will there be?		treated as self-employed rather partners in a partnership. Note that the different structure of an LLP ent rights to avoid their being employment law purposes. This is management decisions and not Designated Members – see point	Preamble	Preamble
		<<Insert your Answer>>				
3		What are the names and addresses of the Designated Members and the Other Members?		of the LLP, there must be at least they effectively form a Note that members can be partnership cannot be a member lf.	Preamble	Schedule 1
		<<Insert your Answer>>				

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4		What type of business will the LLP be involved in?
		<<Insert your Answer>>
5	Name	What will the name of the LLP be?
		<<Insert your Answer>>
6	Incorporation	Have the incorporation documents and registered office details been submitted to Companies House?
		<<Insert your Answer>>
7	Commencement	What is the commencement date of the Agreement?
		<<Insert your Answer>>
		When will the LLP commence?
		<<Insert your Answer>>
8	New Members	Can new members be admitted?

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	Clause 1	Clause 3.2
ns on choice of names apply for ddition the name must end with y Partnership” or “LLP”.	Clause 2	Clause 4.1
o, needs to be incorporated and House. An LLP is incorporated by forms to the Registrar of lly contain the name and and the name, address and date al members, signed by them), ate fee.	Clause 2	Clauses 2 & 4
t is signed, not when business o not have to be the same.	Preamble	Preamble
lly comes into being (whether via).	Clause 4	Clause 3.1
ous consent, or a majority, is artner	Clause 3	Clause 15.8.2.2

		<<Insert your Answer>>
9	Duration	Is the LLP to remain for a fixed length of time?
		<<Insert your Answer>>
10	Premises	Where will the business be carried on, will this be the same as the registered address?
		<<Insert your Answer>>
11	Dissolution	Does the death or retirement of a member dissolve the LLP?
		<<Insert your Answer>>
12	Capital	What amount of capital is to be contributed by each member?
		<<Insert your Answer>>
		If additional capital is required, how will it be raised?
		<<Insert your Answer>>
		Will interest accrue on capital?
		<<Insert your Answer>>

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	nitely.	Clause 4 Clause 3.3
		Clause 6 Clause 5.1
	ship, (a partnership often being death or bankruptcy), the dues indefinitely and is not ent or expulsion.	Clause 5 Clause 3.3
		Clause 7 Clause 8

		Can members withdraw their capital from the LLP?
		<<Insert your Answer>>
13	Profit Share	What is the profit share of each member?
		<<Insert your Answer>>
14	Drawings	Are members allowed to draw against their profit share in the course of the financial year?
		<<Insert your Answer>>
15	Full time & attention	Are partners expected to devote their “full time and attention” to the business?
		<<Insert your Answer>>
16	Accounts	What date is the end of the LLP’s financial year?
		<<Insert your Answer>>
		Who are the auditors & what is their address?
		<<Insert your Answer>>

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	Clause 7	Clause 9
	Clause 8	Clause 10
	Clause 15	Clause 11
	Clause 9	Clause 6
	accounts in respect of each meet specific accounting to the Registrar of Companies end of the relevant financial year	Clause 10

17	Banking	LLP Bank – name, branch and account details		Clause 11	Clause 7
		<<Insert your Answer>>			
		Who may sign cheques/authorise electronic transfers? Are there any restrictions on this?			
		<<Insert your Answer>>			
18	Insurance	What insurance is the LLP required to take out?		Silent	Clause 19
		<<Insert your Answer>>			
19	Entitlements	What is each member’s entitlement to, for example, holidays?	These clauses deal with the entitlements of each LLP member to holiday leave, maternity, paternity, parental and family leave etc. Remember when drafting these clauses that LLP members are as of May 2014, considered “workers” for the purposes of the Employment Rights Act 1996 and as such will the enjoy rights and protections conferred on “workers”. This includes, amongst other things, whistleblowing protection, rest breaks and paid annual leave, protection from being treated less favourably on account of part-time status and rights under the pension auto-enrolment regime.	Clause 12	Clauses 11-14
		<<Insert your Answer>>			
20	Indemnification	Will members be indemnified for liabilities incurred as a result of LLP business?		Silent	Clause 17

		<<Insert your Answer>>
21	Management	How will decisions be made?
		<<Insert your Answer>>
		How often will meetings be held?
		<<Insert your Answer>>
22	Retirement	Can members leave the LLP voluntarily?
		<<Insert your Answer>>
		Will members be required to retire as members in the case of illness, incapacity etc?
		<<Insert your Answer>>
24	Expulsion	Can members be expelled and under what circumstances?
		<<Insert your Answer>>
25	Restrictive Covenants	What is the duration of the restrictive covenants?

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	reserved for the Designated Members by all the Members? Which majority and which will only require a	Clause 14 Clause 15
	retirement should be considered so transition the business	Clause 16 Clause 20
		Clause 17 Clause 21
		Clause 19 Clause 24

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		<<Insert your Answer>>			
26	Winding UP	What winding up provisions are provided for?	LLPs is largely the same as for pose a voluntary arrangement, administration, resolve to go into a wound up. The concepts of ulent trading also apply to LLPs. e additional clawback provisions ny shareholders and directors, withdrawn by a member (or ears before the commencement wed back by the liquidator if the have known that the LLP was there was no reasonable ble to avoid an insolvent these purposes can include	Silent	Clause 25
		<<Insert your Answer>>			