

## **REFORM OF LIMITED PARTNERSHIP LAW**

### **Government Response to the Consultation on a Legislative Reform Order to repeal and replace the Limited Partnerships Act 1907**

#### **Introduction**

1. The Department for Business, Enterprise and Regulatory Reform (BERR) issued a consultation document<sup>1</sup> in August 2008 containing proposals to modernise and simplify the law on limited partnerships, in line with recommendations made by the Law Commissions. The Limited Partnerships Act 1907 was to be repealed and new provisions about limited partnerships inserted into the Partnership Act 1890. The proposed changes related to:

- Establishment, registration and de-registration of a limited partnership
- The liability of limited partners to third parties
- The rights and obligations of general and limited partners in a limited partnership.

2. The consultation document included a draft Legislative Reform Order to give effect to the changes, and the proposed implementation date was 1 October 2009. The closing date for responses to the consultation was 21 November 2008.

#### **Responses received**

3. We received 33 responses in total. All the respondents are listed in the Annex, and the responses of those that did not request confidentiality are available on the BERR website<sup>2</sup>. Of the responses, 23 were from lawyers or organisations composed of or associated with lawyers. One of these responses represented the co-ordinated view of the British Private Equity and Venture Capital Association, the Association of Partnership Practitioners, the Institute of Chartered Accountants in England and Wales, and ten law firms.

4. Four of the fourteen law firms who responded individually were Scottish, and there were also responses from the Scottish Government Rural Directorate, the Scottish Rural Property and Business Association, the Scottish Estates Business Group and the Committee of Scottish Clearing Banks.

5. The responses provided comment on most aspects of the proposals and presented a variety of views and arguments. They included in particular

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<sup>1</sup> <http://www.berr.gov.uk/consultations/page47576.html>

<sup>2</sup> <http://www.berr.gov.uk/whatwedo/businesslaw/partnership/page25911.html>

- Strong opposition from Scottish landowning interests to a number of aspects of the proposals, particularly on re-registration
- Extensive comments from lawyers specialising in partnership law suggesting improvements to the draft Order.

6. We are very grateful to all of those who took the time and trouble to respond. It has given us a much clearer understanding of the likely impact of changes on users of limited partnerships.

### **Government response**

7. In the light of the responses, it is apparent that we are not in a position to proceed with the draft Legislative Reform Order in its current form.

8. There is however broad support for many of the key proposals. The Government wishes to proceed with these proposals, and will be discussing with consultees how to take these forward.

Department for Business, Enterprise and Regulatory Reform  
Corporate Law and Governance  
25 March 2009

## **ANNEX — LIST OF RESPONDENTS**

We sent the consultation document to over 100 people who had shown an interest in partnership law reform. And to around 800 interested parties who have chosen to be on the circulation list of BERR's Corporate Law and Governance Directorate.

The following table lists those who responded

### **Legal organisations**

Chancery Bar Association (jointly with Mark Blackett-Ord)

Law Society

Association of Partnership Practitioners (APP) (jointly with BVCA and others)

Association of Pension Lawyers

Solicitors Regulation Authority

### **Other organisations**

British Private Equity and Venture Capital Association (BVCA) (jointly with APP, ICAEW and others)

The Association of Chartered Certified Accountants

Institute of Credit Management

Association of Real Estate Funds

British Property Federation

Scottish Estates Business Group

Scottish Rural Property and Business Association

Committee of Scottish Clearing Bankers

Institute of Chartered Accountants in England & Wales (jointly with BVCA and others)

Social Enterprise Coalition

### **Law Firms**

Berwin Leighton Paisner

Eversheds

Gillespie Macandrew

Linklaters

Lovells

Covington & Burling LLP

Brodies LLP<sup>3</sup>

Wragge & co

Allen & Overy

Norton Rose

Nabarro LLP

Osborne Clarke

CMS Cameron McKenna

Addleshaw Goddard LLP

Tods Murray LLP

### Other lawyers

Mark Blackett-Ord (jointly with the Chancery Bar association)

Roderick I'Anson Banks

Simon Jelf

Geoffrey Morse

Elsbeth Berry

### Government body

Scottish Government Rural Directorate

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<sup>3</sup> Brodies requested that their response not be published