

**SERIES
538**

PROCEDURE FOR CHANGE IN PARTNERS

SECTION- 7 LLP Act- 2008

(06th February 2020)

As per Section 22 of LLP Act, 2008 on the incorporation of a LLP, the persons who subscribed their names to the incorporation document shall become its partners.



A person can be admitted as partner in LLP as per the provisions of LLP agreement of the LLP and section 22 of LLP Act, 2008. If agreement is silent then partner shall be appointed as per Schedule I and need consent of all the Partners.

❖ **Who can become a partner in a LLP**

- a) An individual unless other disqualified
- b) A company incorporated under the Companies Act 1956 or Companies Act 2013
- c) A LLP incorporated under LLP Act 2008
- d) A LLP incorporated outside India
- e) A company incorporated outside India
- f) A foreign national can be appointed as Partner.

❖ **Who cannot become a partner in LLP?**

- a) An individual, if:
 - he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
 - he is an undischarged insolvent; or

- he applied to be adjudicated as an insolvent and his application is pending.

- b) A minor
- c) A HUF
- d) A Partnership Firm
- e) An Association of Persons (AOP) or Body of Individuals (BOI)
- f) An Artificial Judicial Person
- g) A Corporate Sole
- h) A Co-operative Society registered under any law for the time being in force
- i) A body corporate which the Central Government may, by notification in the Official Gazette, specify in this behalf;

A. ADMISSION OF NEW PARTNER

<u>S. No.</u>	<u>PARTICULAR</u>	
1.	Documents require from new Designated partner	✓ DIN / PAN of Partner ✓ Name proof and address proof of the person to be appointed including PAN of the same. ✓ Consent to act as partner (Form-6). ✓ Details of other partnership, directorship, if any.
2.	File form-4 [With in 30 days of such change]	<u>ATTACHMENT</u> - Consent of new partners (Form 6) - Copy of Resolution of LLP.
3.		In case change in LLP agreement is due to change in partners/ designated partner, Form 4 has to be filed along with Form 3 as Linked form within 30 days of amendment in the LLP Agreement.
4.	Execute	Prepare the Addendum of Original LLP Agreement to give

	supplementary agreement	effect of admission of new partner.
5.	File form LLP-3	<u>ATTACHMENT</u> - Supplementary Agreement

B. RESIGNATION OF PARTNER

<u>S.N</u> <u>O.</u>	<u>PARTICULAR</u>	
1.	A Partner of Company may resign upon	- Happening of any event/ circumstances as mentioned in the LLP Agreement. - Due to any reason by giving a notice in writing of not less than thirty days to other partner of his intention to resign as partner. - Resignation of partner in Form-13.
2.	File form-4 [With in 30 days of resignation]	<u>ATTACHMENT</u> - Resignation Letter.
3.		In case change in LLP agreement is due to change in partners/ designated partner, Form 4 has to be filed along with Form 3.
4.	Execute supplementary agreement	Prepare the Addendum of Original LLP Agreement to give effect of Resignation of partner.
5.	File form LLP-3	<u>ATTACHMENT</u> - Supplementary Agreement

C. RETIREMENT OF PARTNER

A partner of a LLP may retire upon happening of any even/ circumstances as mentioned in the LLP agreement, which generally may be upon reaching a particular age. The requirement of outgoing partner has to be filed by the LLP.

<u>S.N</u> <u>O.</u>	<u>PARTICULAR</u>	
1.	File form-4 [With in 30 days of Retirement]	<u>ATTACHMENT</u> - Retirement proof.
2.		In case change in LLP agreement is due to change in partners/ Form 4 has to be filed along with Form 3.
3.	Execute supplementary agreement	Prepare the Addendum of Original LLP Agreement to give effect of Retirement of partner.
4.	File form LLP-3	<u>ATTACHMENT</u> - Supplementary Agreement

D. REMOVAL/ EXPULSION OF PARTNER

A partner of a LLP may be removed/ expelled as per the LLP agreement. If the agreement is silent on this issue then Schedule I would be applicable to the LLP and it says that majority of partners can't expel a partner. In other words, consent of all partners would be required to expel a partner.

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