

GENERAL GUIDELINES FOR REGISTRATION OF LIMITED LIABILITY PARTNERSHIP AND RELATED MATTERS

Background

1. The Limited Liability Partnership or LLP is a new form of business vehicle that would complement the traditional options of carrying on a business either by way of sole proprietorships, partnerships or companies. The LLP is governed by the Limited Liability Partnership Act 2012 (Act 743) ('LLP Act 2012').
2. An LLP combines the characteristics of a company and a partnership firm that provides the protection of limited liability for its partners and flexibility of the partnership arrangement for the internal management of its business. The LLP will provide businessmen and investors the flexibility and freedom to select the best business model that suits their needs and the requirements of their respective business structure.

Registration of a new LLP

3. An LLP may be registered by an application made to the Registrar by furnishing the following information:
 - Name of the proposed LLP;
 - General nature of the proposed business of the LLP;
 - Proposed registered office of the LLP;
 - Name and details of every person who is to be a partner of the LLP;
 - Name and details of compliance officer(s) of the LLP;

- If the LLP is formed for the purposes of carrying on any professional practice, the application shall be accompanied by an approval letter from the governing body as specified in the third column of the First Schedule of the LLP Act 2012; and
- Such other relevant information as may be specified by the Registrar.

4. The registration form shall be lodged to the Registrar of Limited Liability Partnerships ('Registrar') by the compliance officer.

Conversion into a Limited Liability Partnership

5. An application to convert from a conventional partnership or a private company into an LLP may be made to the Registrar in the applicable form as the Registrar may determine and the Registrar shall be furnished with the following information required in that form:

(a) From Conventional Partnership to LLP

- The name and registration number of the conventional partnership;
- The date on which the conventional partnership was registered under the Registration of Businesses Act 1956 or any other written law;
- That as at the date of the application, the conventional partnership appears to be able to pay its debts as they become due in the normal course of business; and
- All other information required for the registration of a new LLP as stated in paragraph 3 above.

(b) From Private Company to LLP

- The name and registration number of the private company;
- The date on which the private company was incorporated under the companies Act 1965;
- That as at the application date, the private company appears to be able to pay its debts as they become due in the normal course of business;
- That as at the application date, all outstanding statutory fees or any amount owing to any government agency has been settled;
- That the private company has placed an advertisement in at least one widely circulated newspaper in Malaysia and published a notification in the *Gazette* of its intention to convert to a limited liability partnership; and
- That all of its creditors have agreed with the application to convert to a limited liability partnership; and
- All other information required for the registration of a new LLP as stated in paragraph 3 above.

(c) *From Conventional Professional Firm to LLP for Professional Practice*

- The name and registration number (if any) of the conventional professional firm ;
- The date on which the conventional professional firm was registered under the relevant law;
- That as at the date of the application, the conventional professional firm appears to be able to pay its debts as they become due in the normal course of business;
- A letter of approval or letter of no objection from the relevant governing body as specified in the third column of the First Schedule of the LLP Act 2012; and

- All other information required for the registration of a new LLP as stated in paragraph 3 above.

Registration fee

6. The registration fee for the registration of a new LLP or for the conversion into an LLP is RM500.

Limited Liability Partnership Agreement

7. The mutual rights and duties of the partners of an LLP and the mutual rights and duties of the LLP shall be governed by the LLP agreement .

8. However, in the absence of agreement as to any matter set out in the Second Schedule of the LLP Act 2012, provision of the Second Schedule relating to that matter shall apply.

Compliance Officer

9. Every LLP must appoint at least one compliance officer who shall be:

- (a) **either** one of the partners **or** a person who is qualified to act as a secretary under the Companies Act 1965;
- (b) at least 18 years of age and citizen/permanent resident of Malaysia; and
- (c) ordinarily resides in Malaysia.

Registration as a compliance officer of an LLP

10. Once a person is appointed as a compliance officer of an LLP, he must register with the Registrar so as to enable him to lodge or submit documents on behalf of the partners or the LLP.

11. The registration shall be done via the MyLLP Portal and the compliance officer is required to go to the nearest SSM office for identity verification purposes.

Duties and Liabilities of Compliance Officer

12. A compliance officer shall be responsible for the doing of all acts, matters and things as required to be done under the LLP Act 2012 and the Limited Liability Partnerships Regulations 2012 ('LLP Regulations 2012') as follows:-

- (a) Lodging or submitting of documents on behalf of the partners or the LLP as stated in Regulation 6 of the LLP Regulations 2012;
- (b) Registering changes in registered particulars of the LLP with the Registrar as and when it occurs as required under section 17 of the LLP Act 2012;
- (c) Keeping of registers and statutory documents at the registered office of the LLP as required under section 19 of the LLP Act 2012;
- (d) Publishing the LLP's name and the registration number outside its registered office and place of business as required under section 20 of the LLP Act 2012; and
- (e) Any other matters that may be required to be done by the Registrar of LLP from time to time under the LLP Act 2012 and/or LLP Regulations 2012.

Continuous Obligation of LLP

13. Upon registration, every LLP must comply with the requirements under the LLP Act 2012 as set out below:-

- (a) *Registration of changes in particulars*

An LLP shall ensure to lodge a notification to the Registrar if any changes made or occurs in the registered particulars of the LLP within **fourteen days** from the date of which the changes made or occurred.

(b) *Keeping of Registers and statutory Record*

An LLP shall keep at all times at the registered office the following:-

- (i) a notice of registration issued by the Registrar of LLP;
- (ii) a register of the name and address of each partner and compliance officer;
- (iii) a copy of the most recent annual declaration;
- (iv) a copy of any statement lodged with the Registrar under the LLP Act 2012;
- (v) a copy of certificate (if any), issued by the Registrar under section 11(4) LLP Act 2012;
- (vi) a copy of the LLP agreement and any amendment thereto;
- (vii) a copy of any instrument relating to any charge created by the LLP; and
- (viii) any other documents that the Registrar may, from time to time, require to be kept by an LLP.

(c) *Keeping of Accounting Records*

- (i) An LLP shall keep such accounting and other records as will sufficiently explain the transactions and financial position of the LLP and enable profit and loss accounts and prepare balance sheets from time to time which give a true and fair view of the state of affairs of the

LLP at the LLP registered office or such other place as the partner thinks fit provided that a notification of that place been made to the Registrar ;

- (ii) An LLP shall retain the accounting records and other records as above for a period of not less than seven years from the end of financial year in which the transactions or operations to which those records relate are completed.

(d) Annual Declaration

- (i) An LLP shall ensure to lodge with the Registrar on an annual basis within ninety days from the end of the financial year of the LLP, a declaration made by any two of its partners that the LLP is able or not able to pay its debts as they become due in the normal course of business and the declaration shall be accompanied by such other particulars as may be required by the Registrar.
- (ii) In the case of the first annual declaration, it shall be lodged not later than eighteen months from the date of the registration of the LLP