



COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

New Partnership Regulations: does your partnership need to take action?

by

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The European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019 (the “**2019 Regulations**”) recently came into force. The purpose of the 2019 Regulations is to bring the statutory obligations of certain “qualifying” partnerships more in line with the Companies Act 2014 (the “**2014 Act**”). The 2019 Regulations replace the European Communities (Accounts) Regulations 1993.

What is a qualifying partnership?

For the purposes of the 2019 Regulations, a qualifying partnership is a partnership, all of the members of which enjoy the protection of limited liability;

Or

a limited partnership, all of the general partners of which enjoy the protection of limited liability. This will include general partners which are limited companies, designated ULCs or partnerships, the beneficial owners of which have limited liability.

Pursuant to the 2019 Regulations, qualifying partnerships, will now apply Part 6 of the 2014 Act which pertains to the annual return and ancillary documentation, including financial statements, required to be annexed to the annual return.

What will I need to do?

Partnerships which fall into the above criteria will be required to file an annual return (form P1) accompanied by financial statements which include a balance sheet, profit and loss account, partners’ report and auditor’s report within 6 months of the partnership’s financial year end. Failure to make these filings could result in the limited partner losing its limited liability protection and being liable for the debts of the partnership.

If you are unsure of your partnership’s obligations in light of these new Regulations, our highly experienced [company secretarial team](#) is on hand to provide advice and assistance.

This article was first published in the [January 2020 issue](#) of our Company Secretarial newsletter, Compliance Agenda. To be the first to receive future issues of our newsletters, please sign up to our Company Secretarial and Compliance mailing list.

About the Author