

What is a UK LLP?

A UK LLP is a separately registered legal entity with an address in the UK. The Principal factor is that no personal liability falls on a member of an LLP for the contracts or debts that the LLP undertakes unlike a simple partnership where the liability remains with the partners. The LLP itself is not taxed but the partners will be assessed to tax on their share of the LLP's income or gains. An LLP therefore has the flexibility and tax status of a partnership but with limited liability for the members.

If the members (partners) of the LLP are non-resident they are not liable to UK tax on non-UK source income.

The Principals of a UK LLP

- Governed by the UK Partnership Act 2000
- Minimum of two partners
- The members (partners) are registered and the register maintained at the Registered Office
- Must have a UK Registered Office address
- Must file a Confirmation Statement every year
- Financial Statements are required to be filed
- There is a requirement that the LLP must file an annual partnership tax return whether the partners are taxed or not.

UK LLP Key Advantages

- No personal liability on partners
- Can have Corporate ownership, two companies can act as the members
- Can have designate and non-designate members and so operate with different levels of membership
- Flexibility – Operation and list of profits determined by written agreements between members
- If the UK LLP has any non-UK partners and carries out all of its trade outside of the UK there will be no UK taxation on those partners.

The Process

Imperium would assist with setting up and registering the partnership with Companies house. After registering the partnership, Imperium UK would manage and control the company including member meetings, opening and running of the bank account, book-keeping, accounts and documentation and execution of contracts/agreements. The process of setting up a UK LLP would take between 2-3 weeks depending on obtaining advice and meeting Imperium's due diligence requirements and the complexities required in the drafting the partnership agreement.

Tax Advice/Fees

Full tax and structuring advice must be obtained for the establishment of a UK LLP. Imperium work with a number of leading advisory firms to assist with this advice and drafting of the prospectus, as well as assisting with appointing auditors, lawyers and additional ancillary services.

The fees associated with setting up a UK LLP would vary depending on the complexity and size of the proposed partnership. On an ongoing basis annual fees would depend on the number of partners and activity. Please note that third party tax and legal advice would be charged in addition to Imperium's fees.

Please contact Grant Twine or David Gilmour to discuss on 01481 728380 or email: Grant.Twine@imperiumtrust.com or David.Gilmour@imperiumtrust.com