



Limited Liability Partnership | FAQs on Incorporation

1. How many partners are required to form a LLP?

A minimum of two partners are required to form a LLP. There is no maximum limit on number of partners. (Section 6(1) of the LLP Act, 2008)

2. How many designated partners are mandatory in a LLP?

A minimum of two designated partners are mandatory in a LLP. (Section 7(1) of the LLP Act, 2008)

3. Who can be a partner and designated partner of a LLP?

Any individual or body corporate may be a partner in a LLP. However, only an individual can be a designated partner of a LLP. (Section 5 and 7(1) of the LLP Act, 2008)

4. What is the requirement regarding residential status of partners and designated partners of a LLP?

The LLP Act, 2008 or the LLP Rules, 2009 do not mention anything about the residential status of the partners of a LLP. However, at least one of the designated partners is required to be a resident in India. (Section 7(1) of the LLP Act, 2008)

5. Is it mandatory that all designated partners of a LLP must also be partners of the LLP?

No, it is not mandatory that all designated partners of a LLP must also be partners of the LLP. In case of a LLP in which any or all partners are bodies corporate, the nominees of such bodies corporate shall act as designated partners. (Proviso to Section 7(1) of the LLP Act, 2008)

6. Is there any requirement for consent of designated partners before incorporation of a LLP or before their appointment?

Every individual proposed to be appointed as a designated partner of a LLP is required to give his prior consent to the LLP in Form 9 (Section 7(3) of the LLP Act, 2008 and Rule 7 of the LLP Rules, 2009)

7. Are there any other procedures with respect to designated partners before incorporation of a LLP or appointment of designated partners?

Every individual or nominee of a body corporate, who is intending to be appointed as a designated partner of a body corporate of a LLP is required to obtain a Director Identification Number (DIN) from the Central Government. (Section 7(6) of LLP Act, 2008 and Rule 10 of LLP Rules, 2009)

8. What is the procedure for obtaining DIN?

The following procedure needs to be followed for acquiring DPIN:-

- a. Log-in on the relevant link provided on Ministry of Corporate Affairs website – <http://www.mca.gov.in/MinistryV2/din.html>
- b. Download and fill of e-Form DIR -3.
- c. Pay of filing fees of Rs. 500 /- through netbanking/debit/credit card
- d. Submit application form online and once the form is uploaded and payment is made, alongwith payment challan DIN is generated
- e. .

9. Can the payment of fees for DIN be made through offline mode?

No, payment of fees for DIN cannot be made through offline mode. The payment can be made only through online mode.

10. Who can attest/ certify a DPIN application form and its supporting documents?

A DIN application form and its supporting documents of a resident can be attested/ certified by the following persons:-

- A Gazetted Officer of the Central or State Government,
- A Notary Public,
- A Chartered Accountant, Cost Accountant or Company Secretary holding a certificate of practice under the Chartered Accountants Act, 1949, the Cost and Works Accountants Act, 1959 and the Company Secretaries Act, 1980 respectively.

In case of a Non-Resident, the certification can be done by any of the following persons:-

- Notary Public of Home Country of the Applicant
the Consulate of the Indian Embassy

In case of a non resident, passport copy is compulsorily required to be submitted

11. What are the guidelines for seeking name availability of a LLP?

The name of a LLP shall not be one prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 or any of the restrictions mentioned under Rule 18(2) of the LLP Rules, 2009.

12. Whether pre-fix / key word / reflection of object mandatory of LLP?

The LLP Act 2008 or LLP Rules 2009 do not provide any mandatory provisions to the effect that the name of a LLP should contain a pre-fix / key word / reflection of object of a LLP.

13. Which form is required to be filed for seeking name availability letter?

Form 1 is required to be filed for seeking name availability letter for incorporation of a LLP. (Rule 18(5) of LLP Rules, 2009)

14. How much process time is required for approval of name?

The process time for approval of name by the registrar shall be ordinarily 7 days from the date of receipt of application. (Rule 18(5) of LLP Rules, 2009)

15. Whether the powers for approval of name/ registration of LLP are being given to regional ROCs?

Yes, the powers for approval of name/ registration of LLP are being given to regional ROCs where the registered office of the LLP is proposed to be situated. (Rule 18(4) of LLP Rules, 2009)

16. For what period will a name approved by the Registrar be available for registration of a LLP?

A name, once approved by the Registrar, shall be available for registration of a LLP for a period of 3 months from the date of intimation by the Registrar. (Rule 18(6) of LLP Rules, 2009)

17. If LLP is using the key name of any existing Company/LLP, whether NOC is required to be attached to Form 1?

If a LLP proposes to use the key name of any existing Company/LLP in existence, NOC from such existing Company/LLP is to be attached to Form 1.

18. Can a foreign LLP or a foreign Company reserve its existing name by which it is incorporated in the country of its incorporation?

Yes, a foreign LLP or a foreign Company reserve its existing name by which it is incorporated in the country of its incorporation by applying in Form 25 along with requisite fees mentioned in Annexure A to the Registrar. (Rule 18(3) of LLP Rules, 2009)

19. For what period will the name reserved by a foreign LLP or a foreign Company by applying to the Registrar in Form 25 be valid?

The name reserved by a foreign LLP or a foreign Company by applying to the Registrar in Form 25 shall be valid for a period of 3 years from the date of approval by the Registrar. (Proviso to Rule 18(3) of LLP Rules, 2009)

20. Is there a concept of Registered Office in case of LLP, as in case of a Company?

Yes, there is a concept of registered office in case of LLP also, as similar to the one in case of a Company, which needs to be intimated to the Registrar at the time of incorporation of the LLP. (Section 13(1) of LLP Act, 2008)

21. Which forms and documents are required to be filed with MCA at the time of incorporation of a LLP?

At the time of incorporation of a LLP, the following forms and documents are required to be filed with MCA:-

- Form 2, i.e., incorporation document, containing a declaration by an advocate, a Company Secretary, a Chartered Accountant or a Cost Accountant, and any one of the subscribers, to the effect that all the requirements of the LLP Act, 2008 and LLP Rules, 2009 have been complied with.
- Authorisation letter in case where one of the partners is a LLP or a company, whether incorporated in or outside India.
- in case where one of the partners is a LLP or a company incorporated outside India, in countries which are signatories to the Hague Apostile Convention, 1961, their signatures and addresses on the incorporation documents are required to be notarized in their country of origin and be duly apostilled in accordance with the Hague Convention.
- Address proof of proposed registered office of the LLP
- Form 3, containing LLP Agreement as an attachment.

- Form 9 containing consent from proposed designated partners

22. Which schedule of LLP Rules, 2009 govern the filing fees? What are the different slabs of fees based on contribution?

Annexure A of the LLP Rules, 2009 govern the filing fees payable by a LLP. The different slabs of fees based on contribution are as follows:-

Sr. No.	Contribution slabs	Amounts
1.	upto Rs. 1 lakh	Rs. 500/-
2.	above Rs. 1 lakh and upto Rs. 5 lakhs	Rs. 2000/-
3.	above Rs. 5 lakhs and upto Rs. 10 lakhs	Rs. 4000/-
4.	above Rs. 10 lakhs	Rs. 5000/-

23. How much process time is required for registration of a LLP?

The process time for registration of a LLP is 14 days from the date of submission of all the aforesaid documents and filing of registration fees. (Rule 12(1) of LLP Act, 2008)

24. Whether ROC generates any number like CIN in case of a company for each LLP on its registration?

Yes, ROC assigns a Limited Liability Partnership Identification Number (LLPIN) for every LLP which is registered with the said Registrar, as in case of a Company. (Rule 14(2) of the LLP Rules, 2009)

25. Whether LLPIN is different for each state?

LLPIN shall be issued in a specific series. So, it shall not be different for each state.

26. Whether the ROC gives the Certificate of Incorporation to a representative of the LLP or is it sent by post?

The Certificate of Incorporation or any other document shall be sent to the LLP or its designated partner by (i) electronic transmission, and (ii) courier, at the address indicated by the LLP as Registered office address in the incorporation document, or such other place as may be indicated by the LLP for service of documents. It is not physically given to a representative of the LLP. (Rule 16 of LLP Rules, 2009)

27. Whether LLP Agreement is required to be filed with MCA?

Yes, the LLP Agreement is mandatorily required to be filed with MCA at the time of incorporation of the LLP as well as whenever there is any alteration of the LLP Agreement.

28. How much stamp duty is required to be paid on LLP Agreement?

The stamp duty applicable for Partnership Agreements under the respective State Stamp Acts is payable on the LLP Agreement on the basis of contribution.

29. What are the minimum/ mandatory clauses to be incorporated in a LLP Agreement?

The minimum / mandatory clauses to be incorporated in a LLP Agreement are as follows:-

- Name, date and place of agreement
- Address of Registered office
- Business to be carried on by the LLP
- Details of partners and designated partners of the LLP
- Powers of designated partners, which they can exercise on their own, in compliance with the provisions of LLP Act, 2008 or LLP Rules, 2009.

- Powers of designated partners, which they can exercise with the consent of all or requisite number of partners.
- Obligations of partners towards contribution, individually and total monetary contribution.
- Powers, duties and authorities of each partner.
- Mutual rights and duties of partners.
- Mutual rights and duties of LLP and partners.
- Restrictions on partners' authority
- Bifurcation of acts, matters or things, which can be done:-
 - (i) with the consent of all the partners
 - (ii) with the consent of majority of partners
 - (iii) with the consent of requisite number or percentage of partners
- Manner of obtaining consent of partners
- Procedure of convening and holding meetings of partners of the LLP
- Provision of common seal of the LLP and the custody of the same.
- Indemnity clause
- Clauses relating to the following events and the obligations, rights, entitlements of partners in specific events:-
 - (i) admission of a new partner
 - (ii) retirement of a partner
 - (ii) cessation of a partner
 - (iv) expulsion of a partner
 - (v) resignation of a partner
- Clauses relating to settlement of disputes (i) between the partners or (ii) Partners and the LLP
- Whether the LLP is incorporated for a specific duration
- Clauses relating to winding up of LLP
- Place of service of all documents relating to the LLP, i.e., whether at the registered office address or at any other address
- Procedure for changing of registered office address of the LLP
- Procedure for change of name of the LLP
- Procedure for removal of auditor of the LLP
- Procedure for alteration of contribution of the LLP

30. What is the difference in procedure at the time of conversion of a Partnership firm into a LLP?

For conversion of a partnership firm into a LLP, the following difference can be found in the procedural aspects:-

- All the partners of the partnership firm shall only be the partners of the LLP and no new partners.
- An application to the Registrar for conversion of partnership firm into a LLP shall be made in Form 17.
- Every partner of the firm which has been converted into a LLP shall continue to be personally liable (jointly and severally with the LLP) for the liabilities and obligations of the firm incurred prior to conversion or which arose from any contract entered into prior to conversion.

31. What is the difference in procedure at the time of conversion of a Company into a LLP?

For conversion of a Company into a LLP, the following difference can be found in the procedural aspects:-

- All the shareholders of the Company shall only be the partners of the LLP and no new partners.
- There is no security interest in its assets subsisting or in force at the time of application for conversion.
- An application to the Registrar for conversion of a Company into a LLP shall be made in Form 18.