

UNCORPORATION

UNCITRAL Colloquium Vienna, 16-18th January, 2013

Priyanka Priydershini, LLM

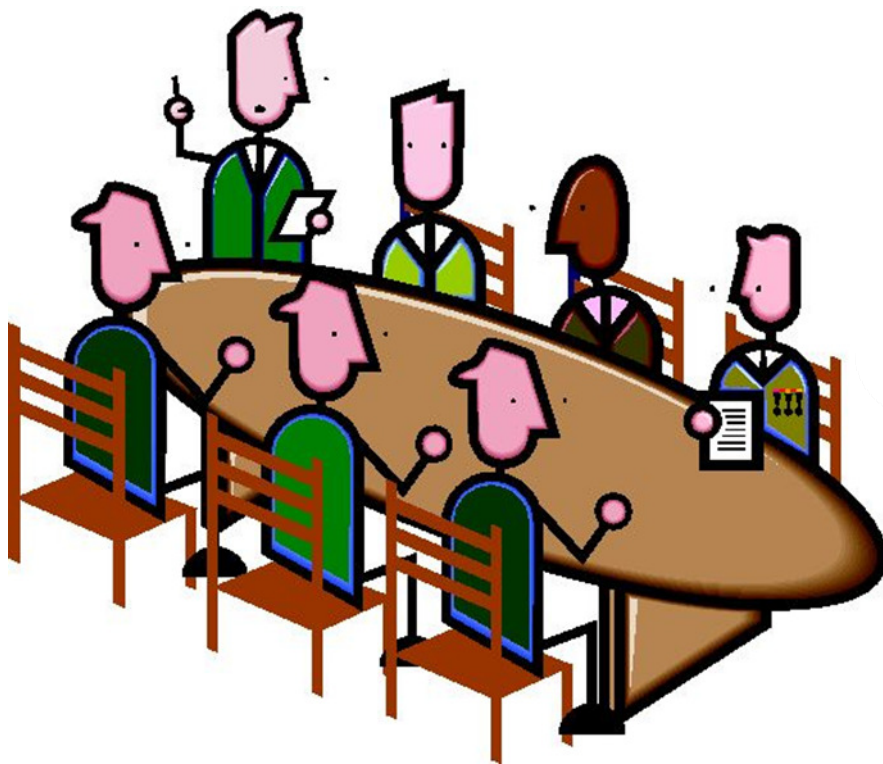


Understanding Society

INDIAN LLP ACT 2008



HISTORY



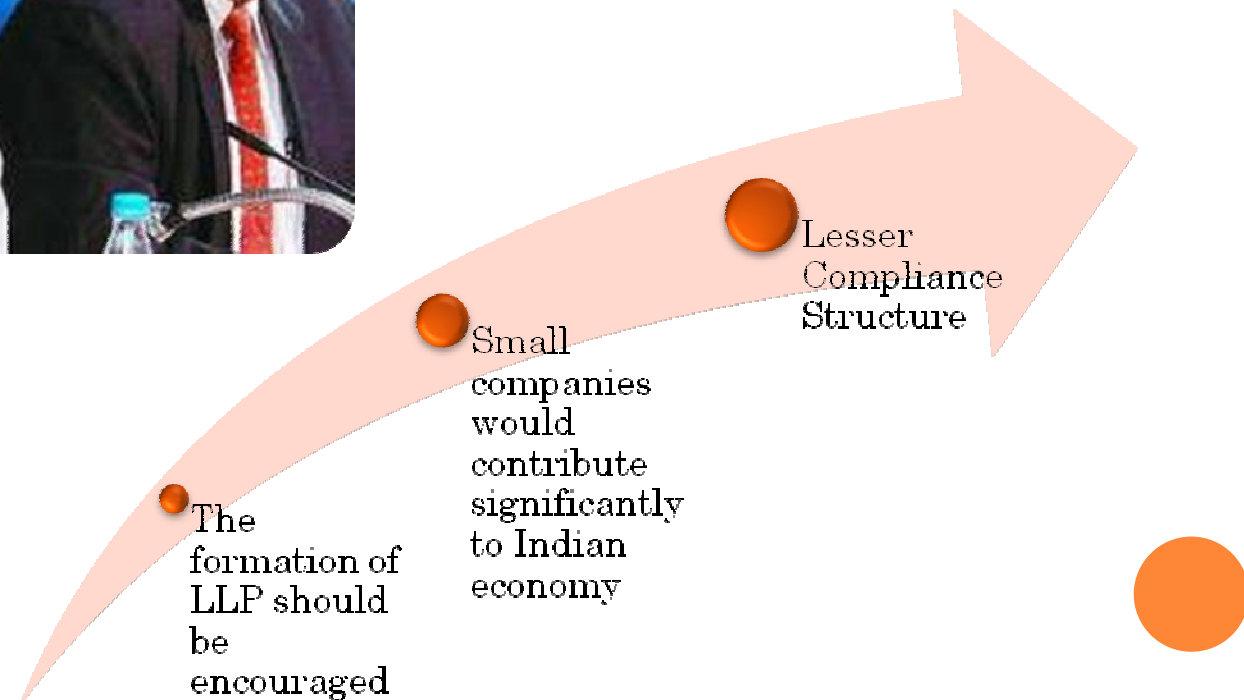
NARESH CHANDRA COMMITTEE(2003)



- Launched in two stages
- Limited Liability
- Tax treatment



JJ. IRANI COMMITTEE, (2005)



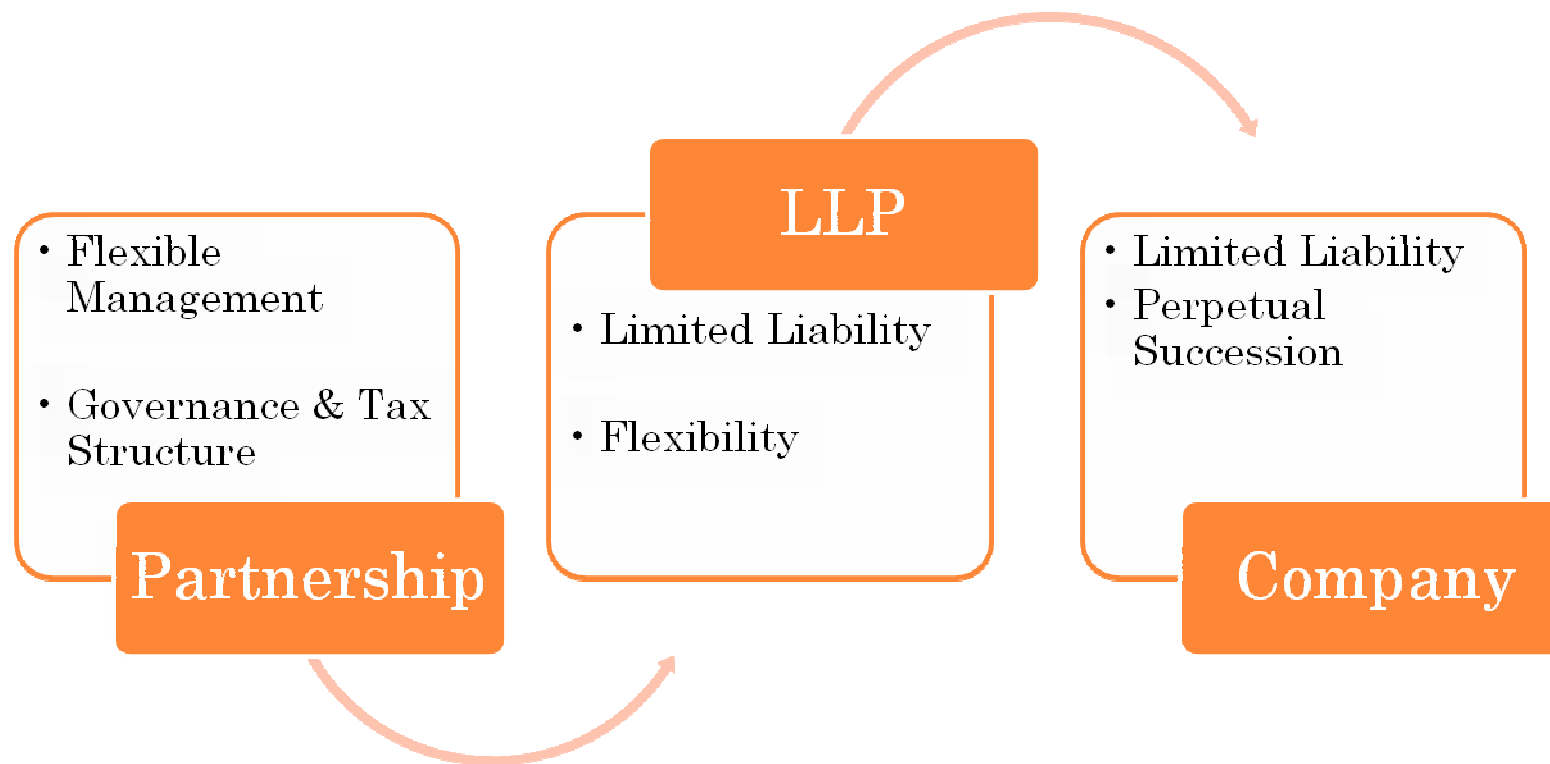


Ministry of Corporate Affairs

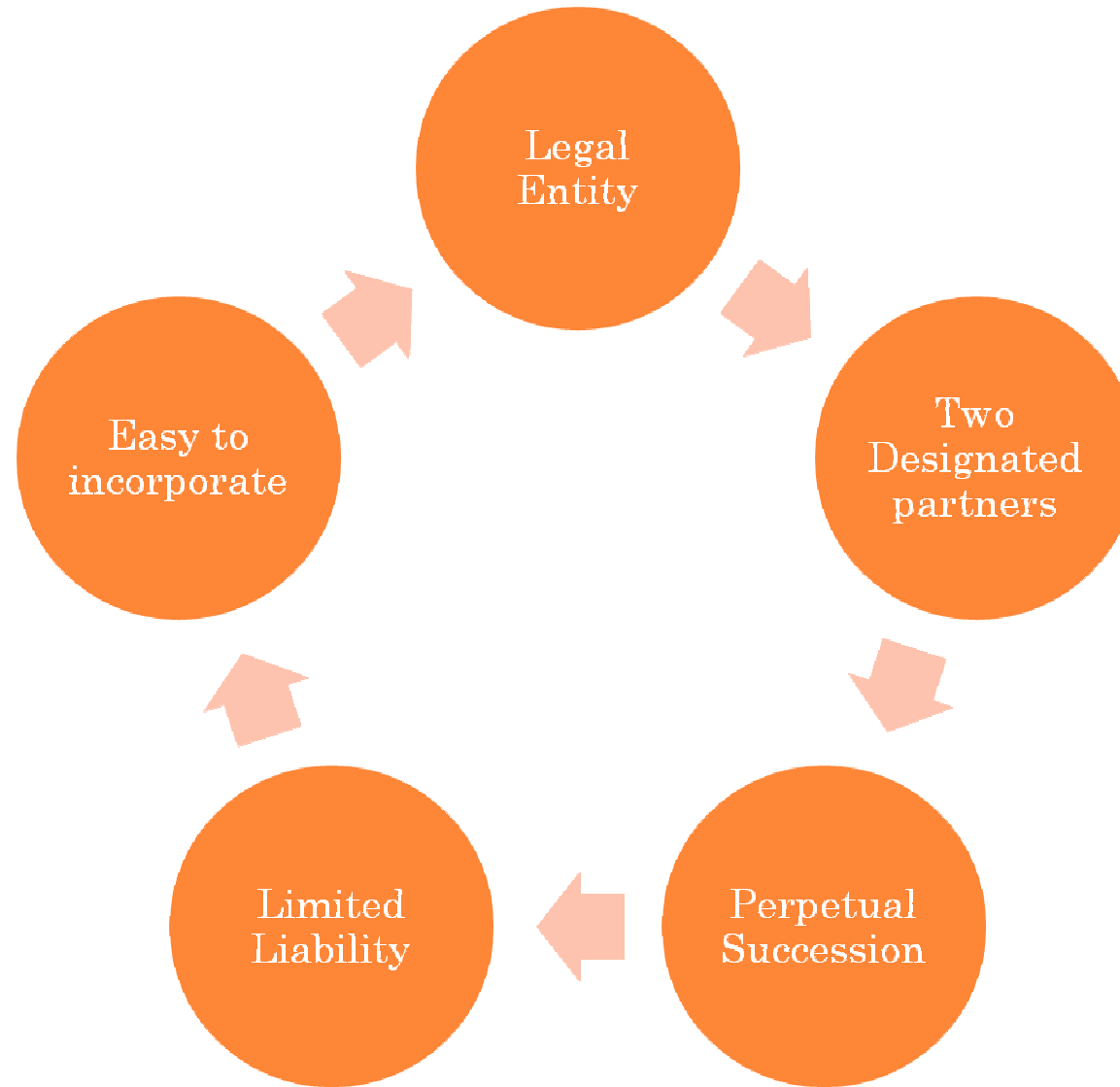
Government of India

- Need of flexibility
- Minimize legal compliance
- To compete with international standard
- Promote cross border investments and services





OVERVIEW OF AN LLP



Category	UK-LLP	I-LLP
Registration	Companies House	Registrar of Companies House
Entity	Separate Legal	Separate Legal
Members	Minimum 2 designated	Minimum 2 designated
Cost of Formation	Lesser than that of Company	Lesser than that of Company
Tax	Same as partnership	Same as partnership
Annual Filing	Mandatory	Mandatory
Designated Partners	Responsible	Responsible



Category	S-LLP	I-LLP
Registration	ROC	ROC
Entity	Separate Legal	Separate Legal
Members	Minimum 2 designated members	Minimum 2 designated members
Cost of formation	Lesser than that of company	Lesser than that of company
Annual filing	Mandatory	Mandatory
Designated partner	Minimum two partner	Minimum two partner



STATUTORY COMPLIANCES FINANCE AND TAXATION



MANDATORY REGULATION





- FDI is allowed as per FEMA 1999







Ministry of Corporate Affairs

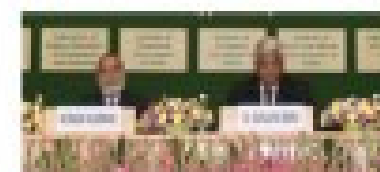
Government of India

Empowering Business, Protecting Investors

Regulator • Integrator • Facilitator • Educator

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Ministry of Corporate Affairs
Government of India

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★ Ministry's Vision

"To facilitate corporate growth with enlightened regulation."



Dr. M. Veerappa Moily

Union Cabinet Minister Dr. M. Veerappa Moily has taken charge as the Minister of Corporate Affairs on 12 July 2011.

[Read More...](#)

Speech by Honorable Prime Minister at the Inaugural function of India Corporate Week

It gives me immense pleasure to participate in the Inaugural function of India Corporate Week 2010. The effort which brings together the government and professionals to deliberate upon is commendable. The first India Corporate Week was celebrated in 2008 with the theme "Corporate Sector and Industrial Growth". It was a great satisfaction that the Ministry of Corporate Affairs has taken the initiative in the year that has seen the growth of the corporate sector.

[Speech by Minister, MCA | Video](#)

Inaugural function of India Corporate Week (Bhawan)

[Speech | Video](#)[MCA | Video](#)

★ Stakeholders' Corner

- News & Events
- Quotations & Tenders
- Press Release
- Prerequisite Software for e-filing
- Application form for deputation in MCA for the posts of JTS, JAO ; and Company Prosecutors (group B) officers
- RSS Feeds

[Company Liquidators](#)[निवेदन-प्रक्रिया](#)

★ Employees' Corner

हिन्दी पत्रिका 2011 (14 डिसेंबर ते 30 डिसेंबर)

- हिन्दी दिवस के अवसर पर माननीय कारपोरेट कार्य मंत्री का उद्देश

[पत्रिका का कार्डेक्स](#)

[javascript:void(0)]

INCORPORATION

Apply for DPIN from MCA web portal



Check available name for LLP



Draft LLP agreement and file incorporation



Obtain Registration certificate

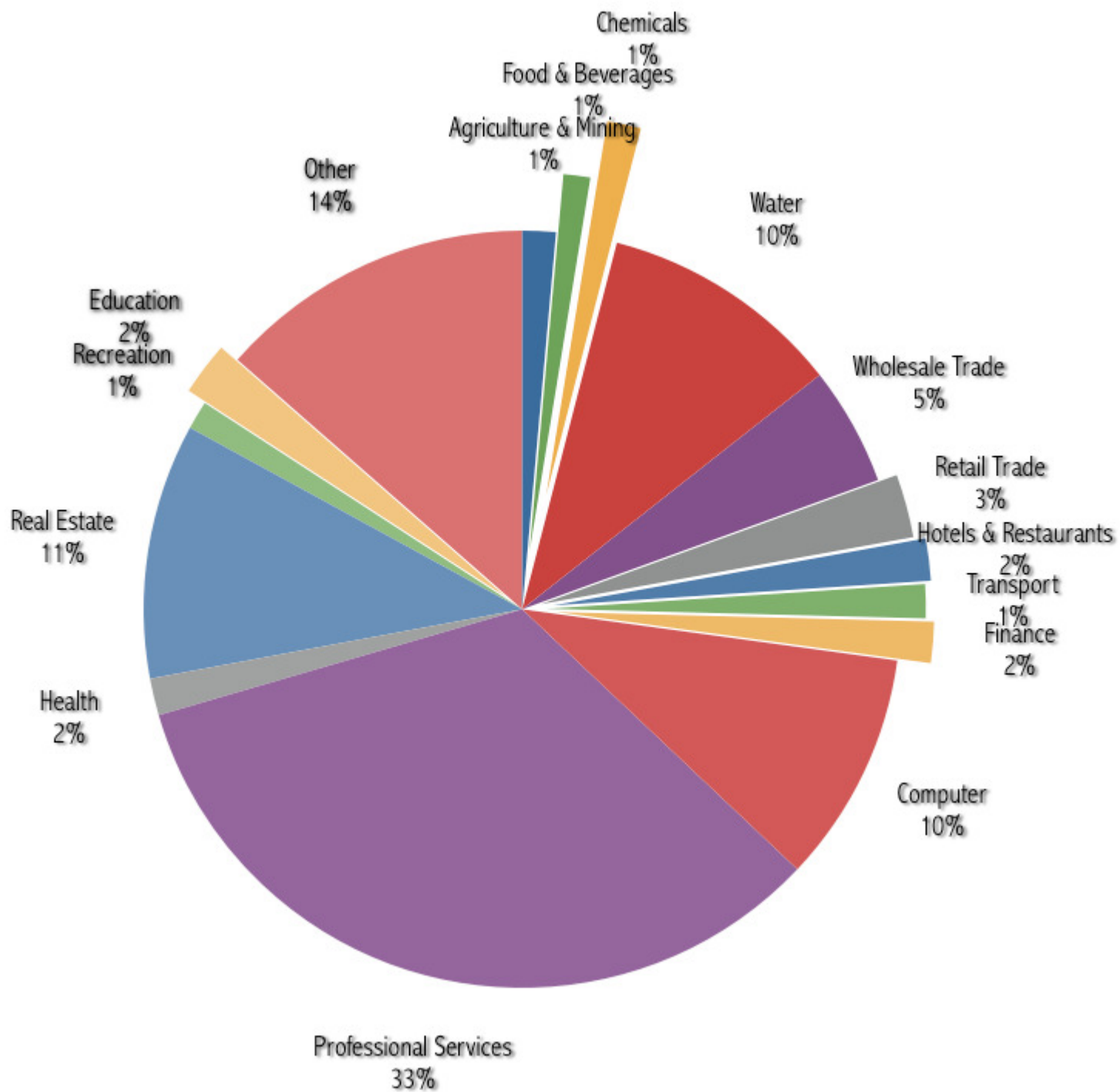


LLP

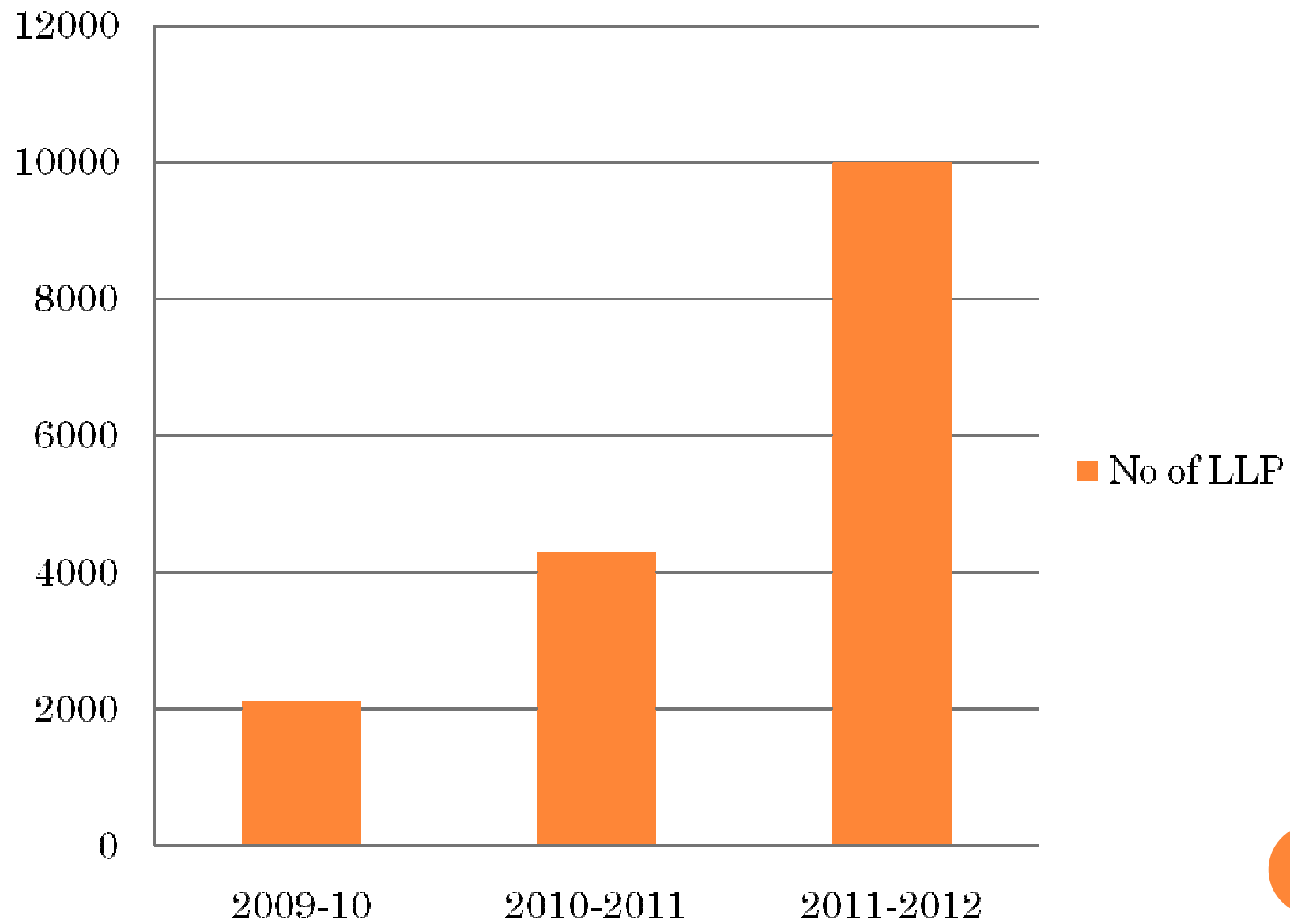




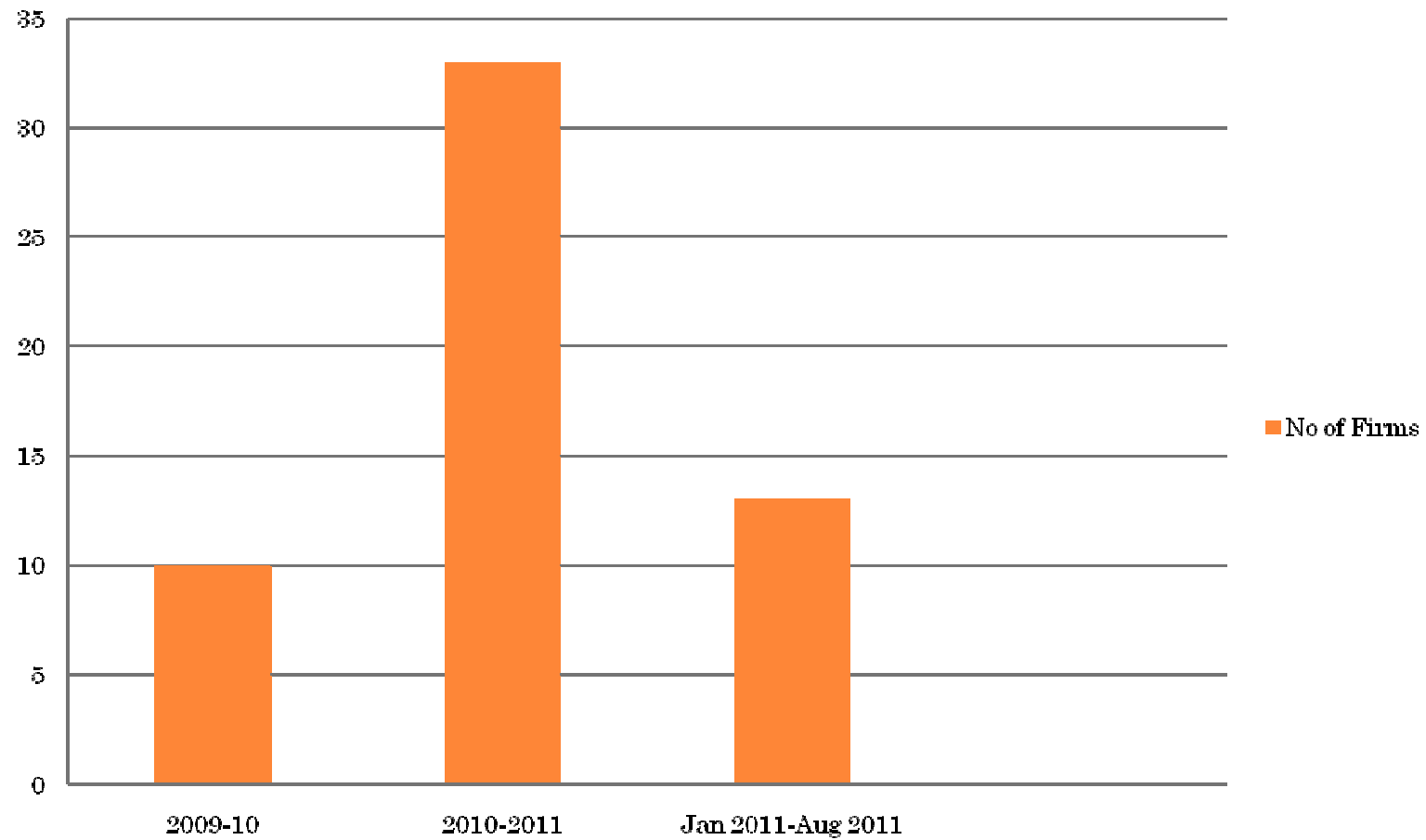




No of LLP registered



No of Firms converted into LLPs



OBSERVATION



Country	US-LLC Delaware	SAS France	SAS Colombia	J-LLC	UK LLP	J-LLP	S-LLP	LLP India
	<i>Corporate-type Uncorporations</i>				<i>Partnership-type Uncorporations</i>			
Legal entity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Limited Liability	Yes	Yes	Yes	Yes	Yes	Yes	Yes, but clawback provision before insolvency	Yes
Financial statements	Members have access / no public disclosure	Parties are required to disclose annual accounts	Shareholders must approve financial statements and annual accounts	Members have access	An annual return and annual statutory accounts must be filed	Members have access / creditors have access upon request	Accounts and other records must be kept for seven years	An annual return must be filed
Formation	Simple certificate of formation (filed at the Secretary of State)	Registration at the Commercial Court	Incorporation document filed at the Mercantile Registry (online registration)	Registration at the Legal Affairs Bureau	Registration at Companies House	Registration at the Legal Affairs Bureau	Online registration	Online registration
Number of partners	1 or more	1 or more	1 or more	1 or more	2 or more	2 or more	2 or more, but it is possible to have one partner for two years	2 or more, but it is possible to have one partner for 6 months
Notarization of charter	No	No	No	No	No	No	No	No

LEX RESEARCH LTD

A Primer on the Uncorporation

Joseph A. McCahery, Erik P.M. Vermeulen and Priyanka Priydershini





FOR MORE DETAILS

Please download the paper at

<http://ssrn.com/abstract=2200783>



THANK YOU!