

## Amendments Note on LLP Act, 2008

1. Vide General Circular No 2/2016 dated 15.01.2016, the HUF can not be act as partner. Karta or his individual member can act as partner in his individual capacity but not on behalf of HUF. The Ministry has cited landmark judgment in support of above clarification.

The Ministry of Law & Justice has observed that the Hon'ble Supreme Court in the matter reported in (1998) 2 SCC p.49, *Rashiklal & Company v. CIT* [\[1998\] 96 Taxman 16 \(SC\)](#) has dealt with the issue and *vide* para 12 of the judgment has observed as under:

"Even if a person nominated by the HUF joins a partnership, the partnership will be between the nominated person and the other partners of the firm. Having regard to the definition of "partnership" and "partners" and in view of the principle laid down in *Dulichand* case it is not possible to hold that an HUF being a fluctuating body of individuals, can enter into a partnership with other individual partners. It can not do indirectly what it can not do directly. If a Karta or any other member of the HUF joins a partnership, he can do so only as an individual. His rights and Obligations *vis-a-vis* other partners are determined by the Partnership Act and not by Hindu Law. Whatever may be the relationship between an HUF and its nominee partner, in a partnership, neither the HUF nor any member of the HUF can claim to be partner or connected with the partnership through a nominee. Where the Karta of an HUF enters into a partnership agreement with a stranger, the Karta alone in the eye of law is the partner."

2. vide NOTIFICATION NO. GSR 418(E) [F.NO.2/15/2014-CL-V] Form 14 has been substituted for conversion of Firm in to LLP.
3. NOTIFICATION NO. GSR 786(E) [F.NO.2/15/2014-CL-V], LIMITED LIABILITY PARTNERSHIP (AMENDMENT) RULES, 2015 - AMENDMENT IN RULES 33, 39, 40 & FORM 2, FORM 4, FORM 16, FORM 19 AND FORM 30, Rule 33 has been amended to enable conversion of ROF into LLP.
4. GENERAL CIRCULAR NO.37/2014 [F.NO.2/3/2014 CL-V], question has been raised whether RETI Trust can be partner in LLP. The MCA has clarified that RETI Turst Registered with SEBI being a Body Corporate and be act as a Partner in LLP without the Trustee name.
5. GENERAL CIRCULAR NO. 09/2013 [F.NO. 1/10/2012-CL-V], DATED 30-4-2013 regarding conversion of Firm into LLP.
6. Guidelines For Setting Up And Conversion Of Firms Of PCS Into LLPs Press Release, Dated 25-6-2012 for conversion of CS Firm into LLP.