



Press Release

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For immediate release

LLP to lead to documentation of economy

LAHORE, October 21: The limited liability partnership (LLP) is a new business structure, which would fill the gap between business firms such as sole proprietorship, and partnership, which are generally unregulated and limited liability companies which are governed by the 1984 Companies Ordinance and consultation with stakeholders on this concept is the first step in this direction.

Mr. Muhammad Siddique, Registrar of Companies, Securities and Exchange Commission of Pakistan, expressed these views while addressing the fourth session in a series of advocacy and consultative sessions on Tuesday at a local hotel. The SECP is organizing these sessions in collaboration with USAID.

He also said that in addition to an alternative business structure, the LLP would act as a step towards documentation of the economy and will convert informal, unregistered and unregulated sector into formal and regulated regime.

The representatives of the USAID, ICMA, PMDC, members of the bar council and academics attended the session. In collaboration with other stakeholders, the SECP is working on a law to introduce limited liability partnership (LLP) as a business structure having separate legal entity and limited liability, wherein the relationship between the partners is governed through a partnership agreement.

The introduction of LLP will provide an alternative form of business organization, where there is flexibility of a general partnership and on the other hand advantages of Limited Liability Company. Most importantly the LLP would be taxed as a partnership, but will have the benefit of being a corporate, or more significantly, a juristic entity with limited liability. This advocacy and consultative exercise is the first step in the directions of having an LLP regime in Pakistan and is aimed at provoking critical examination of the concept paper and the draft bill by all stakeholders.

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