







Karachi Tax Bar Association (KTBA)

PROFESSIONAL DEVELOPMENT PROGRAM ON REGULATOR/ LIMITED LIABILITY PARTNERSHIP/ COMPANY LAW

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Parliament	Sub-Ordinates Ministries/Regulators/ Executives	Judiciary
		
Legislation	Delegated legislation	Precedent/case law
		
Act/Ordinance	Rules, Regulations, Code Guide Lines	Judgment

CONCEPTS & IMPORTANCE OF DELEGATED LEGISLATION: COMPANIES LAW EXAMPLE:

- S.508 – Power of the Federal Government to Make Rules
- S.510 – Power to Issue Directive, Circulars, Guidelines
- S.512 – Power to Make Regulations

BANKING LAWS EXAMPLE:

S. 92 (Banking Ordinance)	Federal Government to make rules with consultation with State Bank.
S. 54 (State Bank Act)	Central Board to make regulations.

DELEGATED LEGISLATION EXAMPLES:

<u>Prime Legislation</u>	<u>Passed By</u>	<u>Delegated Legislation</u>	<u>Made By</u>
▪ Companies Act, 2017	President	<ul style="list-style-type: none"> Companies (General Provisions and Forms) Regulations 2018 	SECP
▪ Income Tax Ordinance, 2001	President	<ul style="list-style-type: none"> Income Tax Rule, 2002 	FBR
▪ Banking Ordinance, 1962	President	<ul style="list-style-type: none"> Prudential Regulation, 2011 	SBP
▪ Sales Tax Act, 1990	Parliament	<ul style="list-style-type: none"> Sales Tax Rule, 2006 	FBR

COMPANY LAW DIVISION

- Corporate Supervision Department
- Corporatization and Compliance Department
- CROs

Prosecution and Legal Affairs Division

- Advisory Department
- Prosecution and Civil Litigation Department
- Legislative Review and Research Department

- Support Services Division
- Specialized Companies Division
- Securities Market Division
- Insurance Division

Limited Liability Partnership Act, 2017

DEFINITIONS:

➤ Body Corporate:

Body Corporate includes:

- i. Limited Liability Partnership Registered under this Act.
- ii. Limited Liability Partnership Registered or Incorporated outside Pakistan.
- iii. Company Incorporated outside Pakistan, but does not include;
 - (a) Sole Proprietorship;
 - (b) Co- operative Society;
 - (c) Any other Body Corporate;

DEFINITIONS:

➤ Designated Partner- Section 10:

Designated Partner means any Partner designated as such pursuant to section 10:

Every limited liability partnership shall have at least one designated partner.

Who:

- (a) is an individual; and
- (b) a resident in Pakistan

Provided that in case of a limited liability partnership in which all the partners are bodies corporate, or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such limited liability partnership or nominees of such bodies corporate shall act as designated partners and one of the nominees or partners. as the case may be. shall be a resident in Pakistan.

DEFINITIONS:

➤ LLP Agreement

Limited Liability Partnership Agreement means a Partnership Registered under this Act.

DEFINITIONS:

➤ Officer:

Officer in relation to a limited Liability Partnership, means,-

- (i) any manager of the Limited liability partnership
- (ii) A Receiver and manager of any part of the undertaking of the limited liability partnership appointed under a power contained in any instrument; and
- (iii) any liquidator of the limited liability partnership appointed in a voluntary winding up

DEFINITIONS:

➤ Partner:

Partner in relation to a limited liability partnership, means:

any person who has been admitted as a partner in the limited liability partnership in accordance with the Limited Liability partnership agreement:

Nature of Limited Liability Partnership

➤ Section 3:

- Separate Legal Liability
- Body Corporate
- Separate Legal Entity
- From its Partner
- Perpetual Secession
- Any Change will not effect its Existence

Nature of Limited Liability Partnership

➤ Section 4:

- Capacity and Execution of Documents
- Agreement Prior to Incorporation shall be Rectified

Registration of Limited Liability Partnership

➤ Section 5:

- Two (2) or more Persons
- It shall have its Registered Address

Registration of Limited Liability Partnership

- **Section 6: Provision Related to Name “LLP”**
- **Section 7: Registration of Incorporation Documents**

Relations of Limited Liability Partnership

- **Section 8: Partners**
 - Individual – Body Corporate
 - Addition of Partner

Relations of Limited Liability Partnership

➤ Section 9: Minimum Number of Partners

- Two
- Causation Condition
- Every Partner is the AGENT of LLP

Relations of Limited Liability Partnership

- **Section 10: Designated Partners**
 - At least One Designated Partner
- **Section 11: Joint Liability**
 - One Member- Penalty

Relations of Limited Liability Partnership

➤ Section 12: Relationship of Partners

- Shall be governed by LLP- Agreement
- Changes are to be submitted with SECP
- Prior Incorporation: Agreement are to be rectified.
- Mutual Rights/ Liabilities are to be determine by
FIRST SCHEDULE

Extent of Liability of LLP

➤ Section 15: Extent of Liability of LLP

- LLP is not bound by act of Partners:
 - (i) If he exceeds Authority
 - (ii) A person (T.P) that he does not has authority
 - (iii) LLP is Liable partner does with Authority
 - (iv) The Obligation of LLP is his own Liability
 - (v) Liability will be met out of Property of LLP

➤ Section 16: Extent of Liability of Partners

➤ Section 17: Unlimited

CONTRIBUTION

➤ Section 18: Form of Contribution

- Money - N.I – Properties- Valuable
- Rights – Intangible- Knowledge and Skills
- Intangible- Can be valued as per Regulation

➤ Section 19: Liability for Contribution

➤ **Conversion to LLP**

➤ **Foreign LLP**

➤ **Compromises- Arrangement-
Reconstruction Of LLP**

➤ Winding Up

➤ Circumstances

➤ Procedure

Final Dissolution (Section 20)

COMPANY LAW

Companies Act, 2017

PREAMBLE

IT HAS OUR MAIN DIMENSION

<u>1984</u>	<u>2017</u>
<ul style="list-style-type: none"> • Healthy Growth of the Corporate Enterprises. 	<ul style="list-style-type: none"> • Facilitating Corporatisation and Promoting development of Corporate Sector.
<ul style="list-style-type: none"> • Protection of Investors & Creditor. 	<ul style="list-style-type: none"> • Encourage use of Technology and Electronic means in conduct of Business and regulation.
<ul style="list-style-type: none"> • Promotion of Investment, and 	<ul style="list-style-type: none"> • Regulating for the purpose of protecting interest of shareholders, creditors other stake holder & General Public.
<ul style="list-style-type: none"> • Development of Economy. 	<ul style="list-style-type: none"> • Inculcating the principle of Good Governance.
	<ul style="list-style-type: none"> • Providing an alternate mechanism for expeditions resolution of corporate disputes.

Legal Dimension

- COI
- COB
- Conversions
- Winding Ups

Financial Dimension

- Capital Related Matters
- Accounts Related Matters

Managerial Dimension

- Directors

- (i) Bod
- (ii) CEO

- Meeting

- (i) Types
- (ii) Related Matters

Bail- Out Dimension

- Receiver and Manager
- Investigation and Inspection
- Compromises and Arrangement
- Oppression and Mismanagement
- Administration
- Rehabilitation

Thank You