Non UK Residents UK Limited Liability Partnership

The international package includes:

Company set-up

UK Registered Office Address (which includes mail forwarding)

UK company bank account with debit and/or credit cards

VAT registration

Employer PAYE registration

Full accounting and bookkeeping

Monthly fee of starting from £110 per month with £110, being paid up front, for us to start work.

UK Limited Liability Partnerships

UK Limited Liability Partnerships (LLPs) are increasingly used in the UK as a tax efficient vehicle for non-UK international trading purposes.

They combine the benefits of corporate status (i.e. the partnership has its own legal identity) and limited liability protection for members with the ability to operate and to be taxed as a traditional partnership.

Formation

A UK LLP is formed by registration at Companies House in the UK. An LLP may be formed by two or more persons and must be a lawful, commercial venture operating for profit. The use of corporate members is allowed and there is no restriction on their place of registration.

The LLP may not have the same name as an existing company or LLP and the name must end with the words ‘limited liability partnership’ or the abbreviation ‘LLP’. The registered office of an LLP must be located in the UK at all times.
Membership

An LLP must have at least two designated members and there is no restriction as to their nationality or residence. Designated members are responsible for the management of the LLP and have additional duties compared to ordinary members which include:

- Appointment of an auditor (if required)
- Signing the LLP annual accounts
- Delivering the annual accounts to Companies House
- Notifying the Registrar of Companies of any changes in membership, registered office or LLP name

Membership ceases through the dissolution of the LLP, death of a member or by agreement with other members. Provision can be made within the partnership agreement (see below) to remove or expel one of its members for a breach of the partnership agreement.

If the number of members of an LLP falls to one for a period of six months or more, then that person is liable, jointly and severally with the LLP, for payment of its debts contracted during that period.

Cessation of membership or any change in any details of a member must be notified to the Registrar of Companies.

Partnership Agreement

There is no requirement under the Act for an LLP to have a written partnership agreement. However to ensure greater ease of regulation between the members, it is recommended that a written agreement be entered into between the parties.

Normally, a partnership agreement would be expected to include details of the nature of the business, members’ shares and contributions, profit and loss sharing arrangements and management formalities as well as the duties of each respective member.

Even in the absence of a written partnership agreement, or if there are certain items not covered in the partnership agreement, default provisions are contained in the Limited Liability Partnership Regulations.

These provisions address, amongst others, the following matters:-

- That all members are entitled to have equal share of capital and profit
- That all members participate in management
- That the LLP would indemnify members in respect of expenses incurred in relation to the LLP

Accounts and audit

An LLP must maintain records of its financial transactions in sufficient detail to enable the financial position of the LLP to be determined at any time.

Accounts must be delivered to the registrar of Companies no later than 9 months after the relevant period end. There are penalties for late delivery.

Only LLPs that do not qualify as small are required to have their accounts audited. To be
considered as small an LLP must meet 2 of the following three conditions for two out of the last three years:

- Annual turnover £6.5m or less
- Balance sheet total £3.26m or less
- Average number of employees not more than 50

**Taxation**

LLPs are ‘tax transparent’ which means that each member, not the partnership, will be assessed to tax on their share of the LLP’s income or gains. Any non-UK source profits or gains made by an LLP will not be subject to UK tax unless the members are UK resident individuals or companies.

There are no restrictions on the residence or nationality of the members of an LLP and therefore, if the members of the LLP are non-resident and the income of the LLP is non-UK source, the LLP will not be subject to UK taxation. It is therefore possible to have an LLP set up in such a way as to not be liable to any UK taxation.

There is an obligation for an LLP to file an annual partnership tax return whether the partners are taxed or not.

It should be noted that LLPs with overseas members cannot generally avail themselves of treaty benefits as a result of the LLP’s tax transparent status. In determining residence status a UK LLP would be deemed resident in the jurisdiction from which it is controlled, which would ordinarily be the jurisdiction in which its members are situated.

**Conclusion**

LLPs can be an excellent vehicle due to the combined benefits of limited liability protection and the ability to operate and be taxed as a partnership. A UK LLP is an extremely flexible vehicle for international trade which, when correctly structured, will not be subject to UK taxation.

**The UK Limited Liability Partnership package from RHJ Accountants**

Our package is the most comprehensive package on the market today and contains every service that you will need to set up and run your company in the UK. It includes the following solutions:

**UK Company Formation**

We will set up your UK Limited Liability Partnership company with Companies House. This usually takes just 48 hours. If you have a UK LLP company already you may move it to us. We do not charge for the incorporation hence the fee would be the same.

**Local Director**

A UK resident consultant from our firm will become nominee member of your LLP as outlined above. This service is optional. You may of course have your own UK resident member should you prefer this.
Registered Office

Every UK LLP needs a registered office where official mail from the tax man can be delivered. We will domicile your LLP at our office address.

Use of our Offices

You may use our offices and meeting rooms while you are in the UK (after prior arrangements, limited fair use policy applies)

Correspondence Address & Mail Forwarding by Email

You can use our office address as correspondence address for your business mail and on business stationery such as business cards or compliment slips. We will forward any mail that we receive by email. If we receive packages or original contracts etc we will forward them by post or by courier.

Corporate Business Bank Account

Your company will receive a corporate business bank account with credit cards from a major UK bank. Please note that you will need to travel to the UK for this. Your account will be opened the same day. In exceptional cases we can open accounts by post but you will need to visit a branch of our bank in your country to introduce yourself. A minimum deposit of £5,000 -10,000 is required in some cases.

In some cases, you may not need to come to the UK, as we are the official account introducer to a number of Major UK Banks, but as mentioned above you need to prove you are doing business in the UK with UK companies for this process.

VAT Registration

We will register your company for VAT if required. We can also act as your VAT agent

Annual Return

Once a year every company needs to update their details with Companies House (363 Return). We will submit the 363 return on time for you.

Deadline Maintenance

In the course of the tax year there are a number of important deadlines and dates to keep in mind for your company. These have to be followed strictly as the UK authorities will raise penalties immediately. We will monitor these dates and ensure everything is filed on time.

Communication with the UK Authorities

We deal with the tax authorities and Companies House on your behalf. We will solve any issues directly with them as much as we can. If required, we will contact you first to agree the best way forward before communicating with them.
**Unlimited Support**

Our team of accountants and business advisors are happy to assist you with any questions or issues you may have in relation to your company. Call us or email us and we will assist you as within 24 hours and as efficiently as we can. You may also come to visit us in our offices to discuss certain things face to face if you prefer. Just arrange an appointment and we will be happy to see you!

**Accounting & Bookkeeping Services**

We encourage all of our clients to prepare as much of their bookkeeping as possible on their own (for example by using spreadsheets). However, we are happy to take on this type of work and provide a full service should you wish for us to do so.

**Tax Returns & Year End Accounts**

We will prepare the statutory accounts for your company plus the corporate tax return.

**Fees & Payment Terms**

The monthly fee for this service starts at £110. Please note that the final fees will depend on your specific requirements so it would be best that you request a quote first so we can properly assess your needs. All fees are payable monthly in advance.

**There is also VAT Registration**

We recognise that most of our clients are likely to need a VAT registration (tax ID). This process can take up to 6 months depending on the speed with which HMRC and other UK government departments operate. If you need a VAT number urgently you may consider buying a 'readymade' company from us that is already VAT registered.

**Is this service right for you?**

We recommend this package for entrepreneurs who are looking to set up and operate an actively trading business in the UK. If you are looking for another type of company (holding company, dormant company, company to hold an asset) please contact us as we may be able to provide a better solution.

This package is ideal for entrepreneurs who are looking to generate in excess of £80,000 in annual sales with their UK Limited Liability Partnership. If your expected annual sales are less you may find this service too expensive or simply overkill. We regret that we will unlikely be able to help you in this instance.

If you are planning to set up your own operations in the UK (take out a lease, employ staff) most of the issues raised here should be of no concern to you. Your own operations will always constitute a place of business in the UK. However, we can still provide you a quote for the services that you will still require when setting up your UK business, feel free to get in touch and we will see what we can do for you.
Next Step

If you are interested in setting up a UK Limited Liability Partnership, please contact us to request a quote.