A CRITIQUE OF THE LIMITED PARTNERSHIP LAWS OF LAGOS STATE 2009.

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1.0 **Introduction**

A partnership does not have perpetual succession like incorporated companies. It lacks legal capacity and the partners are personally liable for the debts and liabilities of the partnership unless it is a limited partnership. A limited liability partnership (LLP) exists when two or more partners unite to conduct a business in which one or more of the partners is liable only up to the amount of their investment.

This paper is divided into subtopics, ranging from the definition of partnership to the concept of limited partnership, which includes the history of this specific type of partnership stating the various jurisdictions this law is being adopted and practiced. This discussion seeks to appraise the Limited Partnership Law of Lagos State 2009, comparing it to the limited partnership laws of other jurisdictions, pointing out the similarities and differences discovered within. The final sector of this paper would include the criticism of limited liability partnership by various authors, followed by the conclusion of the discussion.

1.1 **Partnership**

According to section 1(1) of Partnership Act, 1890, partnership is the relationship which subsists between persons carrying on a business in common with making a view. That is, it involves not less than two persons to start a partnership but not more than twenty (20) persons. A partnership of more than 20 persons will, as a general rule, be an illegal association.[1]

It lacks legal capacity and the partners are personally liable for the debts and liabilities of the partnership unless it is a limited partnership. The formation and terms may be evidenced by partnership articles under seal or by mere agreement which may be written or oral.[2]

The Companies and Allied Matters Act, describes a partnership arrangement as a "firm", and defines it as "an unincorporated body of two or more individuals or one or more individuals and one or more corporations, or two or more corporations, who or which have entered into partnership with one another with a view on business for profit."[3]

[1] Akinlose v. A. I. T. Co. Ltd (1961) WNLR 503.
[2] Ojemen v. Okoafuda (1977) NCLR 192 at 197 – 198.
[3] Section 588(1) of CAMA, Cap. C20 Laws of the Federation of Nigeria 2004.

A partnership does not have perpetual succession like incorporated companies. Equality is the rule in partnership unless otherwise expressly stated. Though, every partner is also jointly and severally liable for the liability of the firm because there is no separate legal personality.[4] Partnership is based largely on the agreement of the parties. As such, there are several essential elements of partnership which are agreement, contribution to capital, and sharing of profit.

Finally, every partner has a right to participate in the management of the firm except a sleeping partner, that is, one who is not active in the management of partnership.[5] And, a partnership is not limited or circumcised by the ultra vires doctrine as they are empowered to undertake any kind of legitimate business of their choice.

Partnership has a minimum of 2 members and maximum of 20 members, and it lacks legal capacity. Also, there is the practice of equality amongst partners, and it has simplicity of formation, flexibility and confidentiality.

1.2 History of Limited Liability Partnership

Right from the time of the Romans the concept of limited liability existed. Certain methods existed to limit liability in contract. The most important technique developed was the peculium.[6] The peculium consisted of assets entrusted to a slave by his master or to a son by his father. The peculium was an excellent limited liability vehicle for conducting business activities, and further modifications were made to the concept as Roman law developed.

The concept of limited liability existed in early Islamic law as well. A variety of techniques developed in early Islamic law to limit liability.[7] One of the techniques was that of the "licensed slave".This concept was very similar to the Roman concept of peculium discussed above. A business was launched upon a proclamation of the master authorizing a slave to engage in business. The slave was able to engage in a wide variety of commercial activities, including purchasing and selling goods on cash or credit, employing workers, and incurring debt. Only the slave was responsible for claims arising from the business. If the slave was unable to satisfy the

[4] https://nigerialegalminds.blogspot.com/
[5] Section 5 and 24(5) of the Partnership Act
[6] David Johnston, Limiting Liability: Roman Law and the Civil Law Tradition, 70 CHI.-KENT L. REv 1515 (1995).
[7] S.W Hasanuzzaman, Limited Liability of Shareholders: An Islamic Perspective, 28 ISLAMIC STUD. 353 (1989).

claims from his earnings, he could be sold, with the proceeds used to settle claims. Significantly, the master was not responsible for claims and could even reclaim any identifiable goods that he had put in the business.[8]

During the financial crisis of the late 1980s and early 1990s hundreds of US Savings and Loans firms, which was equivalent to UK Building Societies, were declared insolvent. As a result of the collapse many accountancy and legal firms faced legal claims instigated by the US government. In 1991, Texas introduced the concept of a limited liability partnership (LLP). The concept was popular and the majority of US states eventually passed LLP legislation.

In September 1996 Jersey passed legislation allowing partnerships, particularly large accountancy firms, to register as LLPs. The UKs "Big Six" accountancy firms started campaigning for similar legislation to be introduced in the UK. After a lengthy consultation a bill was introduced into the House of Lords in November 1999 which received Royal Assent on 20 July 2000.[9]

The UK Companies Act, 1989 was amended to allow accounting firms to work as limited liability companies. General partners in charge of the ordinary day-to-day activities of the firm were, however, still held jointly and severally responsible. This was achieved by a campaign in the 1990s calling for proportional liability in partnership firms.[10] The Limited Liability Partnerships Act 2000 came into force on 6 April 2001. The Act contains 20 sections. The detail of the legislation relating to LLPs is contained in the Regulations created under the Act.

The UK LLP Act is based on three broad principles- limited liability, corporate personality and partnership flexibility. The existence of an LLP in the UK as a separate legal entity means that it has its own rights and liabilities, distinct from those of its members. In the UK, an LLP differs from a company to the extent that the former has greater organizational flexibility and is taxed as

[8] *ibid*
[9] Government Digital Service: https://www.insolvencydirect.bis.gov.uk/technicalmanual/Ch49-60/Chapter%2053A/Part%201/Part%201.htm.
[10] Ashish Ahuja, Limited Liability Partnership Act, 2008- Some Issues, available at http://www.bcasonline.org/webadmin/res_material/resfiles/LM%20Ashish%20Ahuja%204Feb09.pdf (Last visited on March 26, 2012).

a partnership. In the UK, LLPs are accorded 'entity' treatment whilst partnerships governed by the provisions of the UK Partnership Act are generally treated as aggregates of individuals.[11]

1.3 **Concept of Limited Partnership**

A Limited Partnership is a hybrid of general partnership and the concept of limited liability. It is a kind of Partnership in which some partners have limited liability similar to the shareholders of a company. It contrasts with the principles of general Partnership in that a limited partner is not responsible for the conduct or acts of the other partners. It is a business structure that consists of general partners and limited partners that conduct business together as co-owners, but only the general partners are responsible for liabilities and business operations. Limited partners have limited liability as long as they do not participate in the control of the business, and they contribute capital or property to the business but have no liability for the debts or obligations of the business beyond their actual contributions thereto.[12]

This type of partnership exists when two or more partners unite to conduct a business in which one or more of the partners is liable only up to the amount of their investment. Limited partners do not receive dividends but enjoy direct access to the flow of income and expenses. The main advantage of this structure is that owners are typically not liable for the company's debts.[13] With a limited partnership, a partner can withdraw from the partnership without subjecting the entity to an automatic dissolution.[14]

The major objective of LLP is that it seeks to achieve the principal benefits of both partnership and company as forms of business organization. Primarily, it aims at freeing the mind of a professional from the fear that his personal assets may be attached for the negligent and other wrongful acts of his copartners, over whom he has no control.[15]

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[11] Yeo Hwee Ying, Liability of Partners in a Limited Liability Partnership Regime, (2003) 15 SAcLJ 392; See Re, Rogers, [2006] EWHC 753 (Ch) (in this case it was determined that if a will appointed partners in a firm as executors, this would include the profit-sharing members of the LLP as well).
[12] DCSL Corporate Services Limited: https://www.dcsl.com.ng/data/content/_1357638361_TN84X70FE7.pdf
[13] https://www.investopedia.com/terms/l/limitedpartnership.asp
[14] https://www.legalmatch.com/law-library/article/limited-partnership-laws.html
[15] Hamilton, Registered Limited Liability Partnership: Present at the Birth, 66 University of Colorado Law Review 1065, 1066.

This is done by providing the shield of limited liability by way of a separate legal personality.[16] In other words, it enables professional expertise and initiative to combine with financial risk-taking capacity in an innovative and efficient manner.[17]

The other objective is to allow to the LLP the same organization freedom from compliances as are available to a general partnership, thus calling for a new form of corporate governance. Additionally, an LLP is also conferred the same status as a general partnership for tax purposes, by following the flow-through system, so that the tax incidence does not act as a disincentive against this form of organization.

the Limited Liability Partnership has the following advantages:

i. It provides limited liability to its partners. Though personal Liability arises in case of wrongful acts or omissions, a partner is not personally liable for such acts or omissions of other partner.
ii. LLP Business Structure also has the advantage of Internal Flexibility. As in traditional partnership, the internal structure of LLP can be organized as per mutual agreement.
iii. The requirements as to Board Meetings, Resolutions, Annual meetings, etc. are not there in case of LLP.
iv. There is less paperwork in case of LLPs, even the formation of a partnership agreement is not mandatory.
v. Since LLP is a separate legal entity, its existence is not offered by the entry or exit of partners.[18]

1.4 **Constitutionality of the Limited Partnership Law of Lagos State 2009**

1.4.1 *Companies and Allied Matters Act 2004*

The current Companies and Allied Matters Act 2004 does not have an exact provision for limited liability partnership, although according to my research, Section 37 of the Companies and Allied Matters Act aligns with Section 60 of the Limited Partnership Law of Lagos 2009, that for incorporation to be fully done and accepted, at least 2 or more subscribers of such partnership

[16] Jhaveri and Sithapathy, Limited Liability Partnership: An Insight.
[17] Malik, The Latest Hybrid in India: Limited Liability Partnership; SOAS Centre for International Studies and Diplomacy Conference.
[18] Kartik Dawar, Limited Liability Partnership : An Emerging concept in India.

must have their names and details included in the incorporated document and this document is what constitutes the LLP rather than just the added title. However, there is a new bill that was passed in May 2018, pending the approval of the president, for a newly proposed CAMA includes provision for Limited Liability Partnerships

The Bill proposes a new form of legal entity known as a Limited Liability Partnership ("LLP"). By this provision, two or more persons desirous of carrying on a lawful business with a view to profit may form or incorporate a limited liability partnership under the Act as a legal entity separate from that of its partners having perpetual succession. For such limited liability partnerships, at least one of the partners must be resident in Nigeria.

Upon registration, a limited liability partnership becomes a body corporate that by its name is capable of suing and being sued, holding property and having a common seal (if it decides to have one) among others. It is worthy of note that Lagos State Partnership Law 2009 provides for Limited liability partnership (LLP) which allows investors that register their businesses under this law to enjoy reduced responsibility in the event the partnership breaks up or the venture fails.[19]

1.4.2 *Constitution of the Federal Republic OF Nigeria 1999*

Whereas the introduction of Limited Liability Partnerships and Limited Partnerships are welcome innovations, it is crystal clear that the legal effect of the provisions on Limited Liability Partnership is to confer the incidents and benefits of incorporation on a Limited Liability Partnership registered with the Lagos State. There is hardly a shred of doubt that a Limited Liability Partnership as constituted is a body corporate.

It is trite that the core incidents of incorporation center around separate legal personality and limited liability. To the extent therefore, that the aforementioned provisions relating to Limited Liability Partnerships confer the incidents and benefits of incorporation on a number of individuals who are associating for the purpose of business, it is viewed that these provisions ought to be declared null, void and inconsistent with the relevant provisions of the 1999 constitution.

[19] A Review of the new Companies and Allied Matters Bill recently passed by Nigeria's National Assembly; http://www.gbc-law.com/assets/publications/A-REVIEW-OF-THE-NEW-CAMA-BILL.pdf

The primary legal basis and justification for this opinion is item 32 of the exclusive legislative list in the 1999 Nigerian constitution.[20] By that provision, 'the incorporation, regulation and winding up of bodies corporate' sits within the exclusive preserve of the Federal Government. Although, item 32 excludes 'co-operative societies, local government councils and bodies corporate established directly by any Law enacted by a House of Assembly of a State from exclusive federal legislative competence, it does seem abundantly clear that the reference to 'bodies corporate' in the said latter part must be interpreted to exclude any reference to a private association of individuals for the purpose of business as a corporate entity.

The intention of item 32 is however not to delegate to State governments the powers to create a framework or platform on the back of which a number of private individuals may associate for the purpose of carrying on business as a limited liability enterprise or on a separate legal personality basis. The aforementioned item settles the issue very clearly as to which level of government has legislative authority with respect to the conferment of the benefits and incidents.

A Limited Liability Partnership is a body corporate, and the establishment of rules relating to the formation of a Limited Liability Partnership is outside the legislative competence of a State House of Assembly. It can however be viewed that the Lagos State House of Assembly cannot legitimately establish rules for the formation of Limited Partnerships to the extent that a Limited Partnership confers upon a number of the individuals the benefit of limited liability, which of itself, is an incident of incorporation.

Based on the division of legislative powers under the Constitution as aforementioned, a State House of Assembly cannot legitimately confer any of the incidents and or benefits of incorporation on a private association of individuals, as such, by whatsoever name called or means devised, will be unlawful, unconstitutional and will constitute a usurpation of federal legislative powers. The only entity that can legitimately confer the benefit and or incidents of incorporation on an association of individuals is the entity which ab initio has the exclusive legislative and regulatory preserve over incorporation in Nigeria.[21]

[20] Constitution of Federal Republic of Nigeria, 2nd schedule, Exclusive Legislative List, 1999.
[21] The Constitutional Limits of the Limited Partnership Law of Lagos State; https://www.proshareng.com/news/Business%20Regulations/The-Constitutional-Limits-of-the-Limited-Partnership-Law-of-Lagos-State/34265.

1.5 **Limited Partnership Law of Lagos state 2009**

LLP was introduced into partnership law in 2009. Lagos State made certain amendments to its Partnership Law to allow individuals to carry on business as a Limited Partnership or as a Limited Liability Partnership in Lagos State. With these amendments, Lagos State gained significance particularly in the professional services industry and in the private fund formation industry as the preferred place for setting up professional service partnerships, private equity and venture capital funds and other close-ended private funds.[22]

The limited partnership law of Lagos, 2009, is an amended law that instigates the limited liability partnerships. It provides for limited liability partnerships, as opposed to the general and limited partnerships that have always been in existence. It was predated by the Partnership Law of Lagos State 2003. According to the Lagos State government, the newly amended law is essentially a legal vehicle for the association of persons who intend to engage in a joint trade or business for profit, allowing them to enjoy most of the benefits accruable to limited liability companies.

The law introduces the concept of Limited Liability Partnerships into the scheme of relationship among partnership business types and contains amendments in the Partnership Law creating Limited Liability Partnerships (LLP) in business. To this effect, investors that register their businesses under this law enjoy reduced responsibility in the event the partnership breaks up or the venture fails.[23]

Prior to the inception of limited liability partnerships, a partnership could not benefit from the protection of limited liability. As stated by the court in the case of Cox v Hickman.[24] In this case, Mr. Smith and his son were carrying on partnership business as 'M/s. Smith and son. Due to financial difficulties, they assigned the business to their creditors and executed an agreement/ document to the effect. According to the agreement, the business was to be managed by five trustees representing the creditors under the name of 'Stanton Iron Co'. The trustees include Cox and Haywood. The net income/profit (after paying off the creditors) was to be distributed by the

[22] The Constitutional Limits of the Limited Partnership Law of Lagos State: https://www.proshareng.com/news/Business%20Regulations/The-Constitutional-Limits-of-the-Limited-Partnership-Law-of-Lagos-State/34265

[23] http://www.spaajibade.com/resources/a-review-of-limited-liability-partnerships-under-the-partnership-law-of-lagos-state-2009/

[24] Cox v Hickman (1860) 8 HL Cas 268.

trustees. After all the creditors had been paid off, the business had to be re transferred to M/s. Smith and son. The creditors were empowered to discontinue the business or to make rules for conducting the business. While the business was being managed by the trustees, Hickman, plaintiff in this case supplied goods to the firm (and draw a bill, which was accepted by Haywood I.e. Haywood had undertaken to pay) Cox did not accept the trusteeship and did not take part in the transaction. Hickman sued the firm for payment treating Cox and Haywood as partners.

The House of Lords Held that there was no partnership and Cox was not liable. Lord Cranworth held that participation in profits is not the decisive test of a partnership. The true test is, whether there exists 'mutual agency' between/among the partners.[25]

1.5.1 **Legal Personality**

Generally, a partnership has no independent corporate legal existence, distinct from that of its members. Section 58 (4) of the Partnership Law of Lagos State (2009), however, confers on an LLP, legal personality as it can sue and be sued in its registered name. the full provision states thus;

Section 58(4); a Limited Liability Partnership may sue and be sued in its registered name; however, a limited liability partner will be liable to be sued in his personal capacity for acts of the partnership in the following circumstances;

a) Cases of fraud, misrepresentation and other improper conduct alleged to have been committed by the limited liability partner, and;
b) With the written consent of the Commissioner, where it is established that it is in the reasonable interest of the public for an action to be maintained against an individual or a limited liability partner.[26]

This provision however makes it clear that separate legal personality does not absolutely separate partners from personal liability to third parties.

[25] https://www.srdlawnotes.com/2017/01/cox-vs-hickman-1860.html
[26] Section 58 (4) of the Partnership Law of Lagos State 2009.

1.5.2 **Extent of Liability of an LLP under the law**

Under a general partnership, every partner in the firm is liable jointly with other partners for all debts and obligations of the firm incurred while he is a partner. Section 76[27] limits the liability of individuals who choose to be organized as a Limited Liability Partnership to the amounts contributed by the individual partners to the assets of the Limited Liability Partnership.

It also provides that a limited liability partner shall not be liable for the debts or action or inaction of the partnership or limited liability partnership beyond the amount subscribed by such limited liability partner under the current registration and/or partnership agreement.However, the general implication of this is that partners in an LLP are immune personally to lawsuits, if an entity decides to take them to court. [28]

1.5.3 **Membership**

According to the provision of sec 56, membership of the limited liability partnerships are the persons who subscribed their names to the registration document, other than partners who died. However, another person may become a limited liability partner in accordance with an agreement of existing members, and may also cease to be a limited liability partner in agreement with the other partners; by giving reasonable notice to the other partners. Also, an LLP may be registered where all partners or majority of the partners agree and the partners small execute the registration documents and comply with other provisions of the law.[29]

1.5.4 **Registration**

Section 60 of the LLP law spells out the conditions to be fulfilled in order to register an LLP.

1) For a limited liability partnership to be registered, the following conditions must be fulfilled;
    a) Two or more persons associated for carrying on a lawful business with a view to profit must have subscribed their names to a registration document;

[27] Section 76 of the Partnership Law of Lagos State 2009.
[28]S.P.A. Ajibade & Co. Resources http://www.spaajibade.com/resources/a-review-of-limited-liability-partnerships-under-the-partnership-law-of-lagos-state-2009/
[29] Sec 56 (1-4) of the Partnership Law of Lagos State 2009.

b) The requirement above must have been delivered to the Registrar in a manner approved by him along with a copy of the partnership agreement, if any, between the partners or the limited liability partners;
c) There must have been delivered a statement in a form approved by the Registrar, made by either a solicitor engaged in the formation of the limited liability partnership or anyone who subscribed his name to the registration document, that the requirement imposed by para (a) has been complied with;
d) There must have been delivered to the Registrar, evidence of payment of the initial registration fees as specified in the schedule, or as many be prescribed by the State Commissioner from time to time.

2) The registration document must-
   a) Be in a form approved by the Registrar;
   b) State the name of the limited liability partnership;
   c) State that the registered office of the limited liability partnership is to be situated in the state;
   d) State the address of the registered office;
   e) State the name and address of each of the persons who are to be partners of the limited liability partnership on registration; and
   f) Either specify which of those persons are to be designated limited liability partners or state that every person who is a partner of the limited liability partnership is a designated partner.[30]

However, from the above provision, it can be understood that having an existing partnership in place is a pre-condition for registering a limited liability partnership. Also, from para (a) above, two or more persons of the partnership, must subscribe their names to the registration document. This therefore must mean that for the purpose of this registration, all or majority of the partners must agree that the partnership be registered as a limited liability partnership.[31]

The production of a certificate of registration will be a conclusive evidence of registration of a limited liability partnership, not just the mere addition of Limited liability partnership. The

[30] Section 60 of the Partnership Law of Lagos State 2009.
[31] Section 60 (2) (f) of the Partnership Law of Lagos State (2009).

decision of the Supreme Court in the case of Magbagbeola v. Sanni[32] where it was held that the best evidence of incorporation of a company is the production of the certificate of incorporation, helps to buttress this point of view.

1.6 **COMPARISION OF OTHER JURISDICTIONS**

The Limited Liability Partnerships Act 2000 is an Act of the Parliament of the United Kingdom which introduced the concept of the limited liability partnership into English and Scots law.[33]

Section 1 of this Act is the introduction which provides that there shall be a new form of legal entity to be known as a Limited liability partnership. It went further to define the term as; "a limited liability partnership is a body corporate (with legal personality separate from that of its members) which is formed by being incorporated under this Act.[34]

The section of the Act further explained that LLP has unlimited capacity and also that the members of a limited liability partnership have such liability to contribute to its assets in the event of its being wound up as provided by virtue of the Act.[35] Section 2 of the LLPA 2000, provides that an LLP may be incorporated when two or more persons associated for the purpose of carrying on legal business subscribe their names to an incorporation document; that incorporation document, or an approved copy of it, has been delivered to the Companies Registrar at Companies House; and a statement either by a solicitor or one of the subscribers that the formalities have been complied with has also been delivered to the registrar.

A similar provision of this is contained in sec 60 of the Limited Partnership law of Lagos State 2009, where there are conditions spelt out on how to fulfill the registration of an LLP. The UK LLPA further states, following sec 60 (2) of the Limited Partnership law of Lagos State, that such incorporation/registration document must contain the address of the registered office of the LLP, state the name of the LLP, state the name of the members of the LLP on incorporation, state which of those members are to be "designated members" or that all members will be "designated

[32] Magbagbeola v. Sanni (2005) 4 SCM.
[33] Limited Liability Partnership Act 2000, Chapter 12.
[34] Sec 1 (1 and 2), LLPA 2000.
[35] Sec 1 (3 and 4) LLP 2000.

members" and also say whether the LLP's registered office is to be situated in England and Wales, Wales or Scotland.[36]

The provision for the membership of LLP, is stated in sec 4 of the UK LLPA, basically stating that membership of the LLP is those who initially subscribed to the incorporation document. A new member can be accepted with agreement of existing members, and such new member can cease to be a member with the agreement of the existing partners as well. Therefore, because of the existent of separate personality from its members that LLP possesses, such partners are not liable for each other's wrongful doings, unlike in general partnerships.

Therefore, without further ado, it can be noted from the review of both the Limited Partnership Law of Lagos state and the UK Limited Liability Partnership Act 2000, they both provide for very similar conditions on how to register, and incorporate a limited liability partnership. The two jurisdictions have provided for the LLPs in their legislative documents to have separate legal personalities, limits the liability of individuals who choose to be organized as a Limited Liability Partnership to the amounts contributed by the individual partners to the assets of the Limited Liability Partnership, also it has various term conditions spelt out to aid registration/incorporation of the LLPs.

Most importantly, the two laws have provision for the membership recruitment process which provides that only with the agreement of initial subscribers of the incorporation documents, can a new member be accepted or cease to be a member of the LLP.

One of the major differences between these two Acts is that, the Limited Liability Partnership Act of the United Kingdom clearly defines a Limited Liability Partnership as a 'body corporate (with legal personality separate from that of its members) which is formed by being incorporated under this Act, while, the drafters of the Partnership Law of Lagos State apparently omitted the definition of Limited Liability Partnerships from the Partnership Law.

Also the Limited Liability Partnership Act of UK, is a legislative document that strictly contains everything about LLP operations in the UK, while the partnership law of Lagos state that is the crux of this discourse, merely deals with Lagos state and no other states of the Federation, and also the LLP contained within was newly added to expand the partnership laws. My point here is

[36] Sec 2, LLPA 2000.

that, in the UK, LLP guidelines and provisions are clearly contained in one document while LLP in Nigeria is shared with other provisions because LLP is not as clearly advanced as it should be.

1.7 **Critique of the Limited Liability Partnership Law of Lagos 2009**

The limited partnership act of Lagos State 2009 is the only act in Nigeria presently that has the option of a limited liability partnership, therefore one cannot operate the status of an LLP outside the jurisdiction of Lagos. An LLP registered in Lagos state but is to be operated outside the jurisdictions has two options;

1. It may have to carry on its business as a partnership not an LLP, because the latter cannot be regulated by the partnership law of the new state as such partnership laws outside Lagos do not have provisions for LLP. This is pursuant to provisions of the Partnership Act 1890, which is still being used by most states in the federation.
2. Another option is to operate such LLP as a business name. section 82 of the partnership law of Lagos state allows an existing LLP to be registered as a business name. it states that; "Nothing in this law shall be construed as precluding the registration of a registered limited liability partnership as a business name under any existing law."

In my opinion of this legislative document, the instigation of limited liability partnerships has been helpful, especially for those partnerships that need a higher up as opposed to the regular general partnerships other states operate with.

The provision of separate legal personality, liability of members, the importance of registration and all the other distinctive parts of the Act as pointed out above make this legislative document well established. It points out the clear differences between general partnerships and limited liability partnerships, as well as the conditions to be followed to operate limited liability partnerships, so as not to be confused with the former.

However, I believe Lagos state should not be the only jurisdiction to have such an important legislative document. This does not border fairly on corporations practicing partnerships and want to cross over to limited liability partnerships, but are unable to do so because such does not exist in their various states.

1.8 **Conclusion**

The Partnership law of Lagos State was amended to provide for the addition of limited liability partnerships (LLP), and this was quite admirable. This new provision is expected to provoke the growth of more partnership groups that intend to place a limit on the liability to be incurred by its partners. The LLP provision has also created a margin for more individuals and professional groups to combine their resources and at the same time limiting their liability in the maintenance of their business objectives.

The LLP document is however not a perfect piece of legislation and further amendments still need to be made. However, it is of high hopes that more people would be aware and enlightened by the provisions made for limited liability partnerships under the Partnership law of Lagos State 2009.