



Department for
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Dear Nicky,

GOVERNMENT RESPONSE TO THE CONSULTATION ON LIMITED PARTNERSHIPS: REFORM OF LIMITED PARTNERSHIPS LAW

A key theme of the modern Industrial Strategy is ensuring the UK has a world-leading business environment. An environment that holds the confidence of investors, employees, consumers and the public. An important element of this is the provision of a range of business entities through which a variety of commercial objectives can be achieved, and limited partnerships are a crucial part of this.

Limited partnerships are used by thousands of legitimate British businesses, particularly the private equity and pensions industry, who invest more than £30 billion a year in the UK. However, in response to reports that limited partnerships might be being misused, especially in their Scottish form (Scottish Limited Partnerships), the Government issued in April a consultation on the reform of limited partnership law. Given the Treasury select committee's interest in economic crime, I wanted to bring to your attention the Government's response to the consultation, which will be published on Monday. The response sets out a range of proposals, including the tightening of registration requirements for limited partnerships, requiring limited partnerships to demonstrate a firmer connection to the UK, increasing transparency requirements, and enabling the Registrar to strike from the register limited partnerships that are dissolved or which are no longer carrying on business.

These measures will enable us to tackle the abuse of limited partnerships, while ensuring that limited partnerships remain an attractive vehicle for investors in the UK. I am also writing to the Chair of the Business, Energy and Industrial Strategy Committee and the Chair of the Scottish Affairs Committee.

THE RT HON GREG CLARK MP
Secretary of State for Business, Energy & Industrial Strategy