

## Prohibition of partnerships with more than 20 members

1435. (1) No company, association or partnership consisting of more than 20 persons shall be formed for the purpose of carrying on any business (other than the business of banking), that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless—

(a) it is registered as a company under this Act;

(b) it is formed in pursuance of some other statute; or

(c) it is a partnership formed for the purpose of—

(i) carrying on practice as accountants in a case where each partner is a statutory auditor;

(ii) carrying on practice as solicitors in a case where each partner is a solicitor;

(iii) carrying on or promoting the business of thoroughbred horse breeding, being a partnership to which, subject to subsection (5), the Limited Partnerships Act 1907 relates; or

(iv) the provision of investment and loan finance and ancillary facilities and services to persons engaged in industrial or commercial activities, being a partnership—

(I) that consists of not more than 50 persons; and

(II) to which, subject to subsection (5), the Limited Partnerships Act 1907 relates.

(2) Subject to subsection (3), the Minister may by order declare that the prohibition in subsection (1) shall not apply to a partnership that is of a description, and that has been or is formed for a purpose, specified in the order.

(3) The Minister shall not make an order under subsection (2) unless, after consultation with the Company Law Review Group, the Minister is satisfied that the public interest will not be adversely affected by the discontinuance, in consequence of the order, of the prohibition in subsection (1) in relation to the partnerships concerned.

(4) This section shall not apply to an investment limited partnership within the meaning of the Investment Limited Partnerships Act 1994 .

(5) The provisions of section 4 (2) of the Limited Partnerships Act 1907 shall not apply to a partnership specified in subsection (1)(c) nor to a partnership specified in an order made under subsection (2).