

GUIDELINES FOR SETTING UP AND CONVERSION OF FIRMS OF PCS INTO LLPs

In exercise of powers conferred by Clause (1) of Part II of Second Schedule to the Company Secretaries Act, 1980 (56 of 1980), as amended by the Company Secretaries (Amendment) Act, 2011, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines:-

These Guidelines shall be called, Guidelines for Setting up and Conversion of Firms of PCS into LLPs.

These guidelines shall come into effect from 9th June, 2012.

1. An existing CS firm desirous to convert itself into LLP shall be required to follow the provisions of Chapter-X of the Limited Liability Partnership Act, 2008 read with Second Schedule to the said Act containing provisions of conversion from existing firms into Limited Liability Partnership (LLP) as well as provisions of the Company Secretaries Act, 1980.

2. Company Secretaries intending to form LLPs, to carry out certification / attestation services that are exclusively reserved to be rendered by PCS, shall have to obtain the provisional approval of the LLP name from ICSI, whether or not the name contains the words "Company Secretary" or "Company Secretaries", before approaching the ROC for registration and thereafter get the Unique Code from ICSI. The LLP name will be reserved for a period of six months from the date of issue of the provisional name approval. In case ROC rejects the provisional name, the applicants have to again approach ICSI for provisional approval of the proposed new LLP name.

3. If the proposed name of LLP of CS firm resembles with any other non-CS entity in terms of Section 15 of the Limited Liability Partnership Act, 2008 and the Rules made thereunder, the proposed name of LLP of CS firms may include the word "Company Secretary" or "Company Secretaries", as the case may be in the name of the LLP itself and the Registrar of LLP may allow that name, subject to the provisions of Rule 18(2)(xv) of LLP Rules as referred above.

4. For the purpose of registration of LLP with ICSI under Regulation 169 of the Company Secretaries Regulations, 1982, the partners of the firm shall apply in ICSI Form No. 'I' along with copy of name registration received from the Registrar of LLP and submit the same with the Directorate of Membership of the ICSI. This Form shall contain all details as well as the particulars with the signatures of all partners or designated partner of the proposed LLP.

5. The names of the CS firms approved by the ICSI shall remain reserved for the partners as one of the options for LLP names subject to the provisions of LLP Act, Rules and Regulations made thereunder.

6. The following guidelines relating to seniority and other criteria shall be followed for approval of LLP with ICSI:

(i) Where two similar or identical or nearly similar or identical firm names (whether the partners of such firms are same or not) have been approved by ICSI, under the proposed LLP, only one such firm name shall be approved and remaining firm approved by ICSI, either desires to convert into LLP or not, a change in the firm name shall be required.

(ii) The name of the LLP, doing certification / attestation services that are exclusively reserved to be rendered by PCS, must be as per existing guidelines for approval of firm name issued by the ICSI and only the suffix "LLP Company Secretary/Company Secretaries" shall be used with the approvable name and registered by ICSI and may be like "AB & Co./Associates, LLP, Company Secretary/Company Secretaries".

(iii) The newly converted LLPs approved by ICSI shall be allowed to work only in terms of Section 2(2) of the Company Secretaries Act, 1980 and the object of LLP to be incorporated in Form-2 and Form-17 of the LLP Rules, 2009 or in LLP agreement, shall be in the nature of Professional Services allowed under Section 2(2) of the Company Secretaries Act, 1980. LLP shall be subject to the same regulations, as if they were in partnership firm. Mere conversion into LLP does not give any additional privileges, which were not earlier with the CS firms.

(iv) Inter-se seniority among the firms shall be given to LLP as per existing policy of the ICSI. In other words, LLPs shall carry the same seniority, as the firm shall otherwise have under the existing policy of ICSI. In case of merger of two LLPs, same rules as applicable to firms merging shall apply.

(v) The non-converted firms shall also remain on the same position of seniority in relation to converted LLPs as the converted LLPs shall have the same inter-se seniority as the firms had earlier to conversion.

7. These guidelines for conversion of CS firms into LLP shall also be applicable to the conversion of Proprietorship concern of Company Secretary into LLP subject to the provisions of LLP Act, Rules and Regulations made thereunder.

8. The unique code number of LLP with ICSI, shall remain the same Unique Code Number (UCN) allotted to the firm by the ICSI before the conversion.

9. The incorporation of LLP shall not affect the existing regulations and guidelines in force as regards the name allotment to Company Secretaries firms.

10. In case there is a merger of a firm and conversion with LLP and vice-versa, seniority may be provided to the surviving entity as per the policy of the ICSI.

11. The provisions of the Company Secretaries Act, 1980 (as amended), the Company Secretaries Regulations, 1982 (as amended), shall be applicable to all partners of the converted CS firms into LLP jointly and severally.

12. These Guidelines shall be read in conjunction with the Guidelines for Approval of Firm Names issued by the ICSI.

Guideline no. 2 and 6 (ii) amended by the Council in its meeting held on 23rd September, 2019.