BRIS GROUP

UNITED KINGDOM

LIMITED LIABILITY PARTNERSHIP

CLIENT GUIDE 2026

Formation, non-resident taxation, accounts, confirmation statement and compliance

Professional LLP formation and ongoing corporate administration

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UK Limited Liability Partnership at a Glance

A UK **Limited Liability Partnership (LLP)** is incorporated under the **Limited Liability Partnerships Act 2000**. It is a body corporate with legal personality separate from its members, while UK tax legislation generally treats its business profits transparently so that the members, rather than the LLP itself, are taxed on their respective shares. The LLP structure is particularly useful for professional, consulting and international joint-venture businesses where at least two members participate.

Topic	Current legal / practical position
Members	At least **2 members** are required. Members may be individuals or corporate bodies.
Designated members	At least **2 designated members** must be appointed at all times. If fewer than 2 are formally designated, all members are treated as designated members.
Foreign ownership	There is no general requirement for a UK-resident member. A standard LLP can therefore have wholly non-resident membership.
Directors/shareholders	An LLP has **members, not directors or shareholders**.
Registered office	A registered office in the relevant UK jurisdiction is mandatory.
Capital	There is **no statutory share capital** and no general minimum capital requirement.
Tax	The LLP is generally tax-transparent for UK income/corporation tax purposes; each member is taxed according to its own status and share of partnership profits.
Annual compliance	Annual accounts and a confirmation statement must be filed with Companies House, in addition to HMRC partnership/member tax compliance.

Key Benefits for International Clients

- 100% non-resident membership is possible; corporate members may be used.
- Separate legal personality and limited liability combined with partnership-style internal flexibility.
- No shareholders, directors or statutory share capital.
- No general minimum capital contribution.
- LLP agreement can regulate profit shares, capital contributions, voting, management, admission/retirement and distributions.
- For an LLP consisting solely of non-UK-resident members, managed and controlled outside the UK and carrying on its trade wholly outside the UK, the members may have **no UK tax on the LLP's foreign trading profits**, provided no UK-source profits, UK trade/permanent establishment or other UK taxable income arises.
- Suitable for genuine international consulting, professional services, agency and trading structures where the commercial facts support the non-UK activity.
- Small LLPs can benefit from proportionate Companies House accounting and audit-exemption rules when statutory conditions are met.

The Important 0% UK Tax Scenario

A UK LLP can legitimately produce 0% UK tax on foreign business - but only on the correct facts

HMRC's 2026 HS380 guidance states that where a partnership consists **solely of non-resident partners**, the Partnership Tax Return should generally show only profits from **UK operations**. Non-resident partners are liable to UK tax on UK profits and UK-source partnership investment income. Therefore, if the LLP's members are all non-resident, the business is genuinely conducted outside the UK and there are no UK operations, UK permanent establishment or UK-source taxable profits, the foreign trading profits can fall outside UK tax.

This is **not an automatic exemption simply because the LLP is registered in Britain**. The actual place where the business is carried on, where profit-generating work occurs, where management/control is exercised, the members' residence and the source/nature of income must support the position.

Incorporation Requirements

Topic	Current legal / practical position
LLP name	Must comply with Companies House naming rules and normally end in 'Limited Liability Partnership' or 'LLP'.
Members	Minimum 2. A member may be an individual or a body corporate.
Designated members	Minimum 2 at all times, with statutory filing/compliance responsibilities.
Registered office	Must be an appropriate UK registered office address in the jurisdiction of incorporation.
Registered email	A registered email address is required for Companies House; it is not shown on the public register.
Principal activity	SIC code(s) identify the LLP's business activity.

Topic	Current legal / practical position
LLP agreement	Not filed as the LLP's public constitution, but strongly recommended to govern the members' commercial relationship.
PSC / beneficial ownership	Persons with significant control must be identified and reported under the applicable LLP PSC regime.
Identity verification	Companies House identity-verification requirements now form part of the 2026 corporate filing environment and must be considered for relevant LLP members/filings.

LLP Agreement

The LLP agreement is one of the most important documents for a UK LLP. It normally regulates how profits and losses are allocated, capital contributions, drawings, management authority, voting, admission and retirement of members, restrictions, dispute procedures and winding-up arrangements.

Profit shares do not have to follow capital contributions

Subject to tax law and anti-avoidance rules, members can agree their commercial profit-sharing arrangements in the LLP agreement. For tax purposes, however, each member is taxed on the profit allocated to it under the applicable partnership rules - not merely on cash actually withdrawn.

Capital Contributions

A UK LLP does not have share capital and the LLP Act does not prescribe a general minimum paid-up capital. Members may contribute cash, property, expertise or other agreed value according to the LLP agreement. Contributions and members' capital/current accounts should be accurately reflected in the LLP's accounting records.

No statutory minimum capital

Unlike a company limited by shares, an LLP does not issue shares. BRIS Group should therefore describe the members' funding as **capital contributions**, not share capital.

Documents Required from the Client

- Passport or acceptable government-issued identification for each individual member, designated member and ultimate beneficial owner.
- Recent proof of residential address.
- For a corporate member: incorporation/constitutional documents, registered office, directors/management and natural-person UBO information.
- Full ownership/control and PSC information.
- Detailed description of business activities, countries of operation, customers/counterparties and transaction profile.
- Proposed profit-sharing percentages and capital contributions.
- Source-of-funds/source-of-wealth information required under AML procedures.
- Tax-residence information for every member and details of where the LLP will actually be managed and where services/trading activity will be performed.

Formation Process & Documents Received

1. Structure/tax review **2.** KYC/AML & identity requirements **3.** Name/registered office **4.** Companies House incorporation **5.** LLP agreement & HMRC setup **6.** Corporate file

Typical file: Certificate of Incorporation; Companies House incorporation record; LLP agreement; initial members' resolutions/decisions; member/designated-member and PSC records; registered-office details and HMRC/tax registration correspondence as applicable.

Taxation - How a UK LLP Is Treated

For most trading LLPs, the LLP is treated as a partnership for UK direct-tax purposes. The partnership computes its profits, but the **members are taxed separately on their respective shares**. An individual member is generally within income-tax rules; a corporate member may be within corporation tax or, if non-resident, other applicable non-resident rules depending on UK activities/income.

Topic	Current legal / practical position
UK-resident members	Generally taxable in the UK on their share of worldwide partnership profits, subject to applicable reliefs.
Non-resident members	HMRC states they are liable on **UK profits** and their share of UK-source partnership investment income; corporate non-residents also account for overseas profits attributable to a UK permanent establishment.
All members non-resident	The 2026 HS380 guidance says the Partnership Tax Return should generally show only profits from UK operations.

Topic	Current legal / practical position
Management outside UK	Relevant to the partnership-return presentation and facts, but does not by itself prevent UK-source profits from being taxable.
UK operations	Profits earned through UK activities remain taxable on the members regardless of their non-residence.
Treaty position	The LLP itself is generally not UK resident for most UK double-tax treaties because it is not itself liable to UK tax; treaty entitlement usually sits with qualifying members.

When 0% UK Tax Is NOT Available

- The LLP carries on a trade or business through activities performed in the UK.
- The LLP has a UK permanent establishment, branch, office or other taxable presence.
- A member performs substantive profit-generating work in the UK and that activity contributes to LLP profits.
- The LLP receives UK-source investment/property or other taxable income.
- A member is UK tax resident and therefore taxable on its share of partnership profits under the applicable UK rules.
- Anti-avoidance, salaried-member or other specific tax provisions apply.

Registration address is not the same as business substance

Using a UK registered office or statutory corporate service does not automatically mean that all LLP profits arise in the UK; equally, simply stating that the business is 'offshore' does not move genuinely UK-earned profits outside the UK tax charge. The operational facts control the analysis.

HMRC Partnership Tax Return

The LLP should be registered with HMRC for partnership Self Assessment where required. HMRC issues the partnership a Unique Taxpayer Reference (UTR). The partnership return reports the partnership result and allocations to members; the members then deal with their own tax liabilities/returns according to residence and legal status.

Important distinction

Companies House accounts and the HMRC Partnership Tax Return are **separate filings**. Even an LLP whose non-resident members have no UK tax on foreign profits still needs its Companies House compliance, and its HMRC filing position must be established rather than assumed.

Accounting Records & Annual Accounts

All LLPs must keep adequate accounting records and prepare annual accounts. Companies House confirms that **all LLPs must file annual accounts, including dormant LLPs**.

Topic	Current legal / practical position
Accounting records	Must disclose and explain transactions and enable the LLP's financial position and compliant accounts to be determined.
Retention	Companies House guidance states LLP accounting records must be retained for **3 years** from the date they are made.
Records outside UK	If accounting records are kept outside the UK, accounts and returns sufficient to disclose the financial position must be sent to and kept in the UK at least every 6 months.
Annual accounts	Members prepare accounts for each financial year.
Companies House filing	Annual accounts are filed with Companies House; filing content depends on size and available exemptions.
Audit	Audit exemption may be available where the LLP meets the statutory conditions.
Small LLP	For periods beginning on/after 6 April 2025, small-LLP thresholds include turnover up to £15m, balance-sheet total up to £7.5m and up to 50 employees, with at least two tests normally met.

Confirmation Statement

Every LLP must submit a Companies House **confirmation statement (LL CS01)** confirming that the information on the register is up to date. This is separate from annual accounts and HMRC tax filings.

Topic	Current legal / practical position
Purpose	Confirms registered information and reports required updates.
Frequency	At least once every 12 months within the applicable review period.
Information	Registered office, members/designated members, PSC information, SIC codes and other prescribed data.
Identity verification	The 2026 LL CS01 framework includes member identity-verification information as the Economic Crime and Corporate Transparency Act reforms are implemented.
Failure	Non-compliance can expose designated members to enforcement and the LLP to strike-off action.

Designated Members' Responsibilities

- Register the LLP for Self Assessment with HMRC as required.
- Ensure accounting records are maintained.
- Prepare, approve/sign and file annual accounts with Companies House.
- File the confirmation statement.
- Notify Companies House of changes to members, registered office and other registrable particulars.
- Arrange an auditor where legally required.
- Ensure VAT registration where the statutory conditions/threshold are met.
- Act for the LLP in winding up and dissolution.

PSC, AML & Transparency

A UK LLP is not anonymous. Companies House maintains public information about members and persons with significant control (PSC), subject to statutory protection regimes for certain personal information. Corporate service providers must conduct AML/KYC, sanctions and beneficial-ownership checks.

Where corporate members are used, the ownership/control chain must be disclosed for compliance purposes. Overseas members must also consider tax reporting in their countries of residence and any CRS/FATCA consequences through financial institutions.

Annual Compliance Checklist

■ Maintain at least two members and two designated members.

■ Maintain the UK registered office and registered email address.

■ Keep the LLP agreement and member/profit-sharing records current.

■ Maintain accounting records and prepare annual accounts.

■ File annual accounts with Companies House on time.

■ File the confirmation statement at least annually.

■ Maintain/update PSC and member information and satisfy applicable identity-verification requirements.

■ Maintain HMRC partnership registration and file the Partnership Tax Return where required.

■ Ensure each member deals with its own UK tax filing/liability as applicable.

■ Review whether any UK trade, permanent establishment, UK-source income or UK-resident member changes the tax position.

■ Review VAT/payroll/regulated-activity requirements where applicable.

How BRIS Group Supports You

Structure review - Assess whether an LLP is appropriate and whether the proposed foreign-business facts support the intended UK tax treatment.

Formation - Coordinate Companies House incorporation, registered office and statutory setup.

LLP agreement - Coordinate a tailored agreement covering profit allocation, management, contributions and member changes.

KYC / PSC - Coordinate member, corporate-member, UBO and PSC due diligence.

HMRC setup - Coordinate partnership registration/UTR and appropriate tax/accounting support.

Annual accounts - Coordinate bookkeeping and Companies House annual accounts.

Confirmation statement - Coordinate annual LL CS01 filing and corporate updates.

Documents - Arrange certified Companies House documents and apostille where required.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to UK LLP incorporation and maintenance and is not a fee quotation. BRIS Group professional fees, registered-office services, LLP agreement drafting, Companies House fees, accounting, HMRC partnership/member tax support, VAT/payroll services, certified documents and optional services are quoted separately. Clients may request a tailored quotation based on the proposed members, countries of operation and business activity.

Client Preparation Checklist

- Three proposed LLP names.
- At least two proposed members and identification of the two designated members.
- Whether each member is an individual or corporate body.
- Country of tax residence of every member.
- Detailed business activity and countries where services/trading will actually be performed.
- Proposed profit-sharing percentages and capital contributions.
- Passport/proof of address for individual members and UBOs.
- Corporate documents and ownership chain for corporate members.
- Source-of-funds/source-of-wealth information.
- Expected turnover, currencies, banking and transaction profile.
- Whether the LLP will have UK staff, premises, customers, agents, management or other UK operations.
- VAT, payroll, banking, apostille or regulated-activity requirements.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute UK legal, tax, accounting or investment advice. A UK LLP is **not itself simply 'tax-free'**. It is generally fiscally transparent and the tax position belongs to its members. The important international benefit is that, under HMRC's current rules, where **all members are non-UK resident and the LLP's trade is genuinely carried on wholly outside the UK with no UK-source taxable profits or UK permanent establishment**, those foreign trading profits may produce **0% UK tax for the non-resident members**.

Primary official/legal sources reviewed: Limited Liability Partnerships Act 2000; Limited Liability Partnerships (Application of Companies Act 2006) Regulations; Companies House LLP incorporation and accounts guidance updated for 2026; HMRC HS380 'Completing Partnership Tax Returns for partners non-resident in the UK (2026)'; HMRC Partnership Manual; and HMRC International Manual guidance concerning treaty residence of UK LLPs.

Information reviewed: August 2026. Companies House fees, identity-verification implementation and HMRC filing/tax treatment will be reconfirmed before formation and annual compliance work.

PREPARED BY BRIS GROUP

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