Basic Principles of Partnership Law in Malaysia

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BASIC PRINCIPLES OF PARTNERSHIP LAW IN MALAYSIA

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LABUAN LIMITED LIABILITY PARTNERSHIP
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INTRODUCTION

In Malaysia, the business vehicles are merely confined to sole proprietorships, partnerships and company. However, it is perceived that a new business vehicle known as Limited Liability Partnership (LLP) is going to be introduced in Malaysia soon as the LLP Bill 2011 has been scheduled for Parliamentary readings in the 2011 session.1

LLP is a fascinating business vehicle as it is a hybrid of a company and a partnership. Most interestingly, its legal status could be either a legal entity which is not a body corporate or an entity of a body corporate. In the United Kingdom, for example, the offshore’s LLPs, such as in the Isle of Jersey’s, the LLPs have the status of a legal entity which is not a body corporate whilst in the mainland; the UK LLPs have the status of a body corporate. In the South East Asia region, at present LLPs are only available in Singapore and Labuan, i.e. the Malaysian offshore. Both LLPs have the status of body corporate.

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