



FOUNDATION OF INDEPENDENT FINANCIAL ASSOCIATES

Formerly known as Foundation of Independent Financial Advisors

10th September 2024

Dear Esteemed FIFA Members,

At FIFA, we are committed to supporting our fellow members in navigating various professional transitions. We have recently received numerous inquiries from Mutual Fund Distributors (MFDs) seeking guidance on transitioning from their current structures to a Limited Liability Partnership (LLP).

To assist you, we have collaborated with Mr. Samir Kapadia to prepare a comprehensive process note addressing the below primary scenarios:

1. Conversion of Proprietorship to LLP

Objective: To provide a clear procedure for Mutual Fund Distributors (MFDs) looking to Transit from a Proprietorship to LLP.

Conversion of Proprietorship to LLP

- Minimum 2 persons are required
- Purpose of carrying out any lawful business with a view to profit needs to be decided
- Two partners need to be designated as 'designated partners'
- The designated partners should obtain Digital Signature Certificate (DSC) Class II or above from a Certification Agency.
- Designated partners need to apply & get DPIN (Designated Partner Identification Number)/ DIN (Director Identification Number) from Central Government by applying electronically in form No. 7 and subsequently sending physical forms. The Application requires:
 - passport-sized photograph
 - a scanned copy of either the telephone bill/ driver's license / previous two months bank statement
 - soft copy of the PAN card and
 - a completely filled form.
 - If the partner is a non-resident Indian, then a copy of the passport will replace the PAN card. The passport copy and address proof should be notarized by the Indian embassy, a foreign public notary or company secretary in full-time employment.
- User registration - Register DIN and DSC with LLP by visiting www.llp.gov.in.
- Check name availability which is available on the aforesaid website
- Apply for reservation of name in applicable form RUN-LLP/ Form 1. Alternatively, application for reservation of name can be made along with incorporation document in form FiLLiP [Form for incorporation of Limited Liability Partnership]/ Form 2.
- After obtaining reservation of name, fill up form FiLLiP [Form for incorporation of Limited Liability Partnership] It has to be digitally signed by designated partner and a professional (advocate/practising CA/CS/ICWA). Upload the form and pay fees electronically.



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- File a statement in the prescribed form, made by either an advocate, or a Company Secretary or a Chartered Accountant or a Cost Accountant, who is engaged in the formation of the limited liability partnership and by any one who subscribed his name to the incorporation document, that all the requirements of the LLP Act and the rules made thereunder have been complied with, in respect of incorporation and matters precedent and incidental thereto
- Incorporation document (deed of partnership) shall be filed in such manner and with such fees, as may be prescribed with the Registrar of the State in which the registered office of the limited liability partnership is to be situated. The incorporation document shall:
 - be in a form as may be prescribed
 - state the name of the limited liability partnership
 - state the proposed business of the limited liability partnership
 - state the address of the registered office of the limited liability partnership
 - state the name and address of each of the persons who are to be partners of the limited liability partnership on incorporation
 - state the name and address of the persons who are to be designated partners of the limited liability partnership on incorporation (g) contain such other information concerning the proposed limited liability partnership as may be prescribed
- LLP will be incorporated by Registrar of Companies (ROC) and registration certificate will be granted by ROC in form No.16
- File form 3 (Information with regard to LLP Agreement) and form 4 (Notice of appointment of partner/designated partner) electronically with fees. The details can be submitted either with form FiLLiP [Form for incorporation of Limited Liability Partnership] itself or within 30 days of date of incorporation. If not submitted within 30 days, additional fees would be payable.
- Send original copy of LLP Agreement which is duly stamped.
- LLP can commence business.

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Prepared with the assistance of Mr. Samir Kapadia