**Limited Liability Partnership**

**About:**

- What is it? LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership. Hence LLP is called a hybrid between a company and a partnership.

**Legislation in India**

All limited liability partnership is governed under the **limited liability partnership act of 2008**. The Corporate Affairs Ministry implements the Act.

**LLP vs Traditional partnership firm:**

- Under “traditional partnership firm”, every partner is liable, jointly with all the other partners and also severally for all acts of the firm done while he is a partner.
- Under LLP structure, liability of the partner is limited to his agreed contribution. Thus, individual partners are shielded from joint liability created by another partner’s wrongful acts or misconduct.

**LLP vs a Company:**

- The internal governance structure of a company is regulated by statute (i.e. Companies Act, 1956) whereas for an LLP it would be by a contractual agreement between partners.
- The management-ownership divide inherent in a company is not there in a limited liability partnership.
- LLP will have more flexibility as compared to a company.
- LLP will have lesser compliance requirements as compared to a company.