In terms of the Council decision dated 14 July, 2011, following guidelines for conversion of CA firms into LLPs and constitution of separate LLPs by the practicing Chartered Accountants have been finalized which are applicable for conversion of CA firms into LLPs or formation of new LLPs by the members in practice of the Institute subject to the provisions of the Limited Liability Partnership (LLP) Act, 2008 and Rules & Regulations framed there under:-

**A) Conversion of CA firms into LLPs**

1. All existing CA firms who want to convert themselves into LLPs are 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 LLP.\(^1\)

2. In terms of Rule 18(2) (xvi) of LLP Rules- 2009, if the proposed name of LLP includes the words `Chartered Accountant' or chartered Accountants, as the case may be, as part of the proposed name, the same shall be referred to the Institute of Chartered Accountants of India (ICAI) by the Registrar of LLP and it shall be allowed by the Registrar only if the Secretary, ICAI approves it.

3. If the proposed name of LLP of CA firm resemble with any other non-CA entity as per the naming Guidelines under LLP Act and its Rules, the proposed name of LLP of CA firms may include the word `Chartered Accountant' or `Chartered Accountants', as the case

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\(^1\) In this reference, the attention of the members is drawn on the General Circular No.40/2012 dated 17th December, 2012 (copy attached), issued by the Ministry of Corporate Affairs, Government of India advising all ROCs to ensure that in-principle approval/ NOC of ICAI is to be obtained at the time of incorporation/ Conversion into LLP.
may be in the name of the LLP itself and the Registrar, LLP may allow the same name, subject to compliance to Rule 18(2) (xvi) of LLP Rules as referred above.

4. For the purpose of registration of LLP with ICAI under regulation 190 of the Chartered Accountants Regulations, 1988, the partners of the firm shall apply in ICAI Form No. ‘117’ and the ICAI Form No. ‘18’ along with copy of name registration received from the Registrar of LLP and submit the same with the concerned Regional office of the ICAI. These Forms shall contain all details of the offices and other particulars as called for together with the signatures of all partners or authorized partner of the proposed LLP.

5. The names of the CA firms registered with the ICAI shall remain reserved for the partners as one of the options for LLP names subject to the provisions of LLP Act, Rules and Regulations framed there under².

6. The following guidelines relating to seniority and other criteria shall be followed for registration of LLP with ICAI.

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

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² In this reference, the attention of the members is also drawn on the General Circular No.45/2011 dated 8th July, 2011 (copy attached), issued by the Ministry of Corporate Affairs, Government of India regarding the name Availability Guidelines, 2011 to be kept in mind.
(ii) The name of the LLP may be like `X & Co. LLP’ or `X & Associates LLP’ and no other suffix shall be approved and registered by ICAI.  

(iii) The newly converted CA LLPs registered with ICAI shall be allowed to work only in terms of Section 2(2) of the Chartered Accountants Act, 1949 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 Chartered Accountants Act, 1949. LLP shall be subject to the same regulations, as if they were in partnership firm. Mere conversion into LLP does not give any privileges, which were not earlier with the CA firms.

(iv) Inter-se seniority among the firms shall be given to LLP as per existing policy of ICAI. In other words, LLPs shall carry the same seniority, as the firm shall otherwise have under the existing policy of ICAI. In case of merger of 2 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.

(vi) Wherever more than one partnership firms with all the partners desire to convert/ form only one LLP, in that case the name and FRN may be selected of only one of such firms for the purpose of registration with ICAI and;
   (i) The other such firms shall stand dissolved.
   (ii) Seniority shall be decided as per applicable rules of ICAI.

3 In this reference, the attention of the members is also drawn on the General Circular No.45/2011 dated 8th July, 2011 (copy attached), issued by the Ministry of Corporate Affairs, Government of India regarding the name Availability Guidelines, 2011 to be kept in mind.
7. These guidelines of conversion of CA firms into LLP shall also be applicable to the conversion of proprietary firm into LLP subject to the provisions of LLP Act, Rules and Regulations framed there under. The conversion of proprietary firm shall be by way of incorporation of new LLPs.

8. The registration number (with minimum 6 numbers) of LLP with ICAI, shall remain the same Firm Registration Number (FRN) allotted to the firm before the conversion by ICAI with the Regional Code like ‘W’ for Western, ‘E’ for Eastern, ‘S’ for Southern, ‘N’ for Northern and ‘C’ for Central Region as under:

<table>
<thead>
<tr>
<th>Region Code</th>
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<tbody>
<tr>
<td>FRN 1</td>
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<tr>
<td>FRN 2</td>
</tr>
<tr>
<td>FRN 3</td>
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<tr>
<td>FRN 4</td>
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<tr>
<td>FRN 5</td>
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</tbody>
</table>

9. Introduction of LLP, shall not affect the existing regulations in force as regards the name allotment to chartered accountants 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 policy as per Annexure ‘A’ attached herewith.

11. The provisions of CA Act, 1949, Chartered Accountants Regulations, 1988 and Code of Ethics issued by ICAI shall be applicable to all partners of the converted CA firms into LLP jointly and severally.

12. As per General circular No. 9/ 2013 dated 30th April, 2013 issued by Ministry of Corporate Affairs, Government of India, wherever the existing partnership firm have been appointed as
statutory auditor of any company after following the due procedure under the Companies Act, 1956 and the said firm is converted into LLP after complying with the relevant provisions of the LLP Act 2008, then the same FRN will continue and the Board of Directors of the Company may take on record through resolution the conversion of the CA firm into LLP and the new LLP shall be deemed to be an Auditor of the said company for the said financial year in terms of Section 58(4) of the LLP Act, 2008.

(B) Constitution of separate LLPs

13. All members of ICAI in practice who want to constitute separate LLPs are required to follow the provisions of the Limited Liability Partnership Act, 2008 read with the Rules framed there under\(^4\).

14. In terms of Rule 18(2) (xvi) of LLP Rules- 2009, if the proposed name of LLP includes the words ‘Chartered Accountant’ or chartered Accountants, as the case may be, as part of the proposed name, the same shall be referred to the ICAI by Registrar of LLP and it shall be allowed by the Registrar only if the Secretary, ICAI approves it.

15. For the purpose of registration of LLP with ICAI under regulation 190 of the Chartered Accountants Regulations, 1988, the partners of the firm shall apply in ICAI Form No. ‘117’ and the ICAI Form No. ‘18’ along with copy of name registration received from the Registrar of LLP and submit the same with the concerned Regional office of the ICAI. These Forms shall contain all details of the offices and other particulars as called for together with the signatures of all partners or authorized partner of the proposed LLP.

\(^4\) In this reference, the attention of the members is also drawn on the General Circular No.45/ 2011 dated 8\(^{th}\) July, 2011 (copy attached), issued by MCA.
16. The following guidelines relating to seniority and other criteria shall be followed for registration of LLP with ICAI.

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

(ii) The name of the LLP may be like `X & Co. LLP’ or `X & Associates LLP’ and no other suffix shall be approved and registered by ICAI.

(iii) The newly constituted CA LLPs registered with ICAI shall be allowed to work only in terms of Section 2(2) of the Chartered Accountants Act, 1949 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 Chartered Accountants Act, 1949. LLP shall be subject to the same regulation, like the partnership firms. Mere conversion into LLP does not give any privileges, which were not earlier with the CA firms.

17. These guidelines of conversion of CA firms into LLP shall also be applicable to the conversion of proprietary firm into LLP subject to the provisions of LLP Act, Rules and Regulations framed there under. The conversion of proprietary firm shall be by way of incorporation of new LLPs.

18. The registration number (with minimum 6 numbers) of LLP with ICAI, shall be like the Firm Registration Number being allotted to the firms by ICAI with the Regional Code like `W’ for Western, `E’ for Eastern, `S’ for Southern, `N’ for Northern and `C’ for Central Region.
19. Introduction of LLP, shall not affect the existing regulations in force as regards Name allotment to chartered accountants firms.

20. The provisions of CA Act, 1949, Chartered Accountants Regulations, 1988 and Code of Ethics issued by ICAI shall be applicable to all partners of the LLP jointly and severally.

21. In case of any dispute in respect of these guidelines, the same shall be referred to the committee of the Institute and the decision of that committee shall be final and binding on the members of the Institute.

22. For the purpose of any clarification regarding the approval and registration of proposed LLP with the ICAI, the requests can be sent at the following address:

   The Secretary
   The Institute of Chartered Accountants of India
   P.B No: 7100, “ICAI Bhavan”, Indraprastha Marg
   New Delhi – 110002

23. These Guidelines came into force w.e.f. 4th November, 2011.

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