The Efficacy of the Introduction of LLPS in Zambia: Lessons from Kenya and the United Kingdom

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ABSTRACT

Design/methodology/approach -The study is a culmination of desk research in inter alia, statutes, case law, textbooks, journal articles, etc.

Purpose-There are different forms of business associations that can be formed for the purpose of conducting business activities in Zambia and among them are partnerships which are regulated by the British Partnerships Act of 1890, an archaic and outdated law. The Partnerships Act of 1890 has several shortcomings which render it insufficient and ineffective in today's business environment. The study discusses the current legal framework and shortcomings of partnerships in Zambia.

Findings-For instance, individuals who would like to form a business association in which they can enjoy limitation of liability cannot establish a Limited Liability Partnership (LLP) in Zambia, instead, they would have to incorporate a company because Zambia lacks legislation for LLPs.

Originality/value-This research paper highlights the benefits of LLPs, by drawing lessons from Kenya and the United Kingdom. In addition, the study recommends the creation of legislation and a regulatory framework to guide Limited Liability Partnerships in Zambia because none exists.

Keywords: Partnerships, Limited Partnerships, Limited Liability Partnerships, Zambia

INTRODUCTION

There are several business models that one is entitled to choose from in Zambia when setting up a business within thecountry. These associate onsrange from limited companies to sole trader/proprietorship, to partnerships, the choices are wide however there remains only one type of partnership in Zambia, which is the standard partnership regulated by the Partnership Act 1890. Whilst the standard partnership model remains simple and effective to create and operate, it does not reflect the modern-day partnership landscape which is now littered with Limited Liability Partnerships (LLPs) (Freedman, 2000).LLPs have introduced limited liability and separate legal personality (traits common to limited liability company's) into partnerships, resulting in a hybrid creation that has the best features of a limited company whilst retaining the best features of a partnership (Keatinge*et al*, 1995). Whilst internationally LLPs are trending in many countries, Zambia remains on the periphery in terms of adopting this additional business vehicle into its fray,relying instead, on the old archaic English law and style of partnership.

Statement of the Problem

While general partnership tends to be the easiest form of partnership to establish, it does not protect the partners in terms of liability. The limited liability partnership (LLP) offers the best form of partnership combined with the best features of a limited company in terms of separate legal personality and thus, protection in terms of liability. This, however,is in contrast to Zambian partnerships which are archaic and outdated as they do not include protection of partners; have limited access to funding; limited growth prospects, and no perpetual succession. This study, therefore, aims at justifying the need to establish LLPs in Zambia.

Objectives

The main objective of the study was to establish the efficacy of introducing LLPs in Zambia by drawing lessons from Kenya and the United Kingdom. The specific objectives were:

1. To examine the current legal framework for partnerships in Zambia.
2. To discuss the benefits of introducing LLPs in Zambia.
3. To draw lessons on the benefits or not of LLPs in Kenya and the United Kingdom.
4. To suggest recommendations for the introduction of LLPs in Zambia.

LITERATURE REVIEW

An LLP is a hybrid of an incorporated company and partnership. The most notable feature of LLPs is the fact that they facilitate limitation of liability for the members whilst a general partnership does not. Instead, the partners in a general partnership bear personal liability for all the business obligations of the partnership. In the USA, LLPs emerged in the early 1990s (Ingle and Suresh, 2010), and the in the United Kingdom, two accountancy firms, namely Ernst and Young and Price Waterhouse (Freedman, 2010), before the mid-1990s, lobbied for the establishment of LLPs by threatening to move their headquarters from the United Kingdom(UK) to an offshore location, Jersey, if LLPs were not given legal recognition. "The move would create economic uncertainties by devaluing the UK's attractiveness as a business-friendly location." (Sika,2008). Their action resulted in the grant of Royal Assent for the enactment of the Limited Liability Partnerships Act on 28th June 2000,and it came into force on 6th April 2001 (Lam,2005).

Ananya (2022) points out that LLPs only received legal recognition in India in 2008, after Parliament enacted a lawthat took inspiration from the UK version, and acknowledged the benefits it provides to entrepreneurs. Although India had general partnerships from the 1930s the need for the newer LLP format had been a moot point for some time before the passing of the 2008 Act (Kashyap and Kashyap, 2010).

Deep (2010) deals with the evolution of LLPs in India and elsewhere by looking at their historical influences and eventual acceptance as a form of business association. He also highlights the benefits of LLPs in covering gaps found in the ordinary Partnership Act.

Dewi (2021)observed that there is truly little academic discourse in this critical area of research, both at a comparative and non-comparative level to help bring out the various forms and nuances of LLPs both in the civil law form and other forms such as the common law forms in countries like the USA.

The Current Legal Framework for Partnerships in Zambia

Zambia only has one piece of legislation currentlyin force that provides some form of regulation for partnerships. TheRegistration of Business Names Act provides for the registration of the names of partnerships, where the name of the partnership does not consist of the true forenames and surnames of the individual partners of the firm. It is enforced by the Patents and Companies Regulatory Agency (PACRA), whose mandate over the regulation of partnerships, by law, is limited to ensuring that a business name of a partnership is registered in the aforementioned circumstances (Registration of Business Names Act 2011).

As a result, Zambian partnerships are currently regulated through acquired law by the British Partnerships Act of 1890 which is applicable under section 2(c) of The English Law (Extent of Application) Act,and they have been defined as "the relation which subsists between persons carrying on a business in common with a view of profit" (Partnerships Act, 1890).It should be noted though that the repealed Companies Act of 1994 did mention partnerships, however only in reference to the number of partners a firm could have. The newly implemented 2017Companies Act make no mention of partnerships at all, hence the total reliance on the aforementioned partnership act of 1890.

The definition of a partnership raises several issues, which includethe number of members it ought to have, the basis for its creation, andmanagement of finances. Its creation is often subjected to the partnership test where four elements are crucial in its establishment and operation; an agreement must be reached by all the partners to be held accountable as partners, and the division of profits and losses must be prevalent. In addition, there must be a unified vision to operate and run a business by all and acting for all, and the operative business must be legal (i.e., permitted by law).

The four elements above have remained a critical part of identifying a partnership and distinguishing it from other business entities (Miah and Others v. Khan [2022]). Firstly, a Partnership does not have a separate legal personality from its members as the rights and liabilities of the firm are considered the rights and liabilities of the partners. A partnership is the result of either a written or oral agreement between two or more persons and only persons who are competent to the contract,that is those that do not suffer from any legal disability can therefore form a partnership (Malila and Chungu, 2019.However,it should be noted that the Partnerships Act of 1890 appears to allow minors to enter intoa partnership if there is unanimous agreement. Secondly, a partnership must be established based on a common business idea. Most partnerships are set up by professionals of a particular disciplines, such as law firms, accounting firms, and advertising firms.

Thirdly, a partnership is set up with profit-making as a priority. The partners must agree to contribute start-up capital andshare profits and losses of the business in proportion to their capital injection or equally as they please. However, it should still be noted that a person who does not contribute any start-up capital may become a partner based on their skills, ability, education, and experience (Lawson, 1998).Lastly, a partnership can never exist if it is not for a legal purpose or business purpose that the law deems to be acceptable.

As stated earlier, the Partnership Act was passed in 1890, and its age has rendered it archaic and outdated. It has several shortcomings resulting in its ineffectiveness in today's business environment, hence the need for it to be supplemented by a Partnership Agreement or Deed. For instance, it provides that "the interests of partners in the partnership property and their rights and duties in relation to the partnership shall be determined, subject to any agreement express or implied to share equally in the capital and profits of the business and must contribute equally towards the losses whether of capital or otherwise sustained by the firm(Partnerships Act, 1890). This, therefore, implies that, without a partnership agreement, partners will be expected to share the profits and losses equally, despite having contributed different amounts towards the initial capital injection.

The Partnership Agreement is a document that is prepared by the partners and shall contain,inter alia, details of the name of the firm, the name, and address of all partners, the nature of business of the firm, the town and place where the business will be carried on, the amount of capital invested by each partner, the duration of the partnership, the ratio of sharing profits and losses, the amount, a partner can withdraw from the firm, the circumstances under which a firm shall dissolve, the rights, duties, and liabilities of partners, the period of the accounting year, etc (Partnerships Act, 1890).

Apart from general partnerships, i.e., those regulated by the Partnerships Act of 1890, there are other types of partnerships, such as Limited Partnerships and Limited Liability Partnerships regulated by the Limited Partnerships Acts of 1907 and the Limited Liability Partnerships Act of 2000, respectively. However, Limited Partnerships and Limited Liability Partnerships are not legally recognised in Zambia.

Characteristics of Partnerships

Whilst there are many attributes on display in a partnership, only the most important have been explained below,this list is therefore not exhaustive. According to Conviser (2014)all partnerships must abide by the law and cannot exist outside of what is permitted by legislation. Most importantly, traditionally speaking there is no separate legal personality at play. This, in turn, means that the rights and duties that come with being a firm as well as the liabilities that ensue also lay at the feet of the partners themselves; they shoulder the blame.

A partnership may be created by at least two partners through an oral or written agreement that meets the minimum test required to warrant a partnership (Malila and Chungu, 2019).It must be noted that only individuals that have the capacity to contract can be members or party to the agreement, and the number of members of the partnership must not exceed twenty (Partnerships Act, 1890).In addition,the partners must agree to act on each other's behalf to generate a profit.This entails that profit will be split either equally or by the agreement in place and the same will apply to losses that will be incurred by the firm. All initial and future partners must always contribute to the capital of the firm. Capital within the context of partnerships ranges from cash (the most common type) to expertise, property, skill, and even reputation/goodwill(Malila and Chungu, 2019).Based on the characteristics that have been explained, the benefits of introducing LLPs in Zambia will be examined by drawing lessons from the UK and Kenya.

The Potential Benefits of Limited Liability Partnerships in Zambia

The LLP model is the most recent form of the partnership to come into existence, and it is gaining increased popularity globally. To gauge the suitability of LLPs in Zambia,lessons have been drawn from other countries that have implemented them. Kenya and the United Kingdom are being examined and used as comparatives.

LIMITED LIABILITY PARTNERSHIPS IN KENYA

In Kenya, the Limited Liability Act was introduced into law on 16 March 2012 under the Limited Liability Partnership Act 2011 (Limited Liability Partnership Act, 2011). The key features of the Kenyan LLP are that the partnership must have at least two partners, and one manager. The partners may be natural or juristic persons meaning that a body corporate can be a member in a partnership (Limited Liability Partnership Act, 2011).It is deemed to be a separate legal entity from its partners, thus adopting some of the characteristics of a normal limited liability company. Partners in an LLP setup are not liable for the firm’s debts or other obligations. Equally, the doctrine of joint and severalliability which is a cornerstone of partnership ceases to operate to its full extent, as a partner ceases to be responsible for the debts of other partners (Limited Liability Partnership Act, 2011). However, despite this reprieve individual partners may still be liable for their wrongful acts or omissions where they engage in LLP business or act with the authority of the LLP when carrying out their duties*(*Limited Liability Partnership Act, 2011).

Benefits of Limited Liability Partnerships – Lessons from Kenya

Flexibility of Limited Liability Partnerships

An LLP affords partners flexibility regarding the internal structure adopted for the running of the partnership.This is the case for Kenya as well. For instance, persons providing finance for the venture can readily take on the role of limited partners. This offers investors an easier way to benefit from the profit and losses of a business without getting involved in the business making it ideal for investment by venture capitalists.

Limited liability partnerships offer privacy to partners as there are no mandatory requirements to produce partnership arrangements or other documents prepared by the partners to the registrar of limited liability partnerships therefore no dirty linen is washed in public.

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A limited liability partnership requires less paperwork to establish and is also easily dissolved or woundup. Limited liability partnerships do not require the maintenance of numerous mandatory statutory records required of a company such as certificates, debenture stock certificated, registers of members, and annual company returns.

Declaration of Interest

In Kenya, an LLP does not impose on its partners and its members the strenuous obligations that would normally be placed on directors of limited liability companies. A member of an LLP does not have a legal obligation to formally declare interest in a transaction of the partnership. In contrast, a director of a limited company is required to make a written declaration of interest where interest is proposed in transactions or arrangements that the company is entering(Davies, Worthington and Hare, 2021; Zambian Companies Act, 2017; Kenyan Companies Act, 2015). In Kenya, a conviction for a failure on the part of a director to make such a declaration makes the director liable to account to the company for any gain the director makes from the transaction or any loss resulting therefrom not to accept a benefit from a third party of the benefit is attributable to the fact that the person is a director(Limited Liability Partnership Act, 2011). In addition, a director of a limited company has the duty to decline a benefit from a third party if the benefit is attributable to the fact that the person is a director of the company (Davies, Worthington, and Hare, 2021; Zambian Companies Act, 2017; Kenyan Companies Act, 2015). In a limited company a director is obliged to register company documents such as amendments to company articles, and pertinent company matters with the Registrar of Companies (Zambian Companies Act, 2017; Kenyan Companies Act, 2015). However, this obligation does not extend to partners of an LLP.

Taxation of Profits and Limitation of Partners

Taxation provides one of the more convincing reasons for starting-up an LLP. The LLP model is beneficial in that taxation is on the individual partner's basis (Limited Liability Partnership Act, 2011). This is different from limited liability companies in which taxes are generally imposed on the profit of the entity (Kariuki, 2017),and on its dividends as well.One of the main advantages of the LLP is that there are no limitations on the number of partners,when compared to a general partnership that may only have a maximum of twenty members (Partnership Act, 1890).

Conversion to other Business Associations

The Limited Liability Partnerships Act (2011) allows LLPs to easily convertto other entities such as private companies and vice versa. This makes the process flexible and easy to operate without constraining the partners' choice of business.

Registration and Management of LLPs

In Kenya, limited liability partnerships are registered pursuant to the Limited Liability Partnership Act of 2011. In Kenya, LLPS enjoys limited liabilities of partners. This enables the partners not only to hold properties in their name but also allows for the inclusion of a body corporate as a partner (or indeed partners). Overall, LLPs are thus much simpler to register than limited liability companies that require a memorandum and Article of Association (Omollo, 2015) (Note that in Zambia, the Memorandum of Association has been whittled down to the contents of the incorporation form). In Kenya, LLPs are mandated to have a manager who should be a natural person (Limited Liability Partnership Act, 2011). He or she is responsible for lodging of statement on changes effected to a limited liability partnership together with requisite annual declarations as to the solvency or otherwise of the partnership

Procedure for registration of a Limited liability Partnership

The requirements for the registration of the LLPs follow the standard procedure as outlined by the

Companies Registry including a name searchand an application for registration. Here the statement of particulars is filled in with relevant information and signed by the partners and manager before being lodged with the registrar. It is only after this procedure is complete that a certificate of registration can then be processed and later issued by the registrar of companies evidencing the formation of the LLP (Kachero, 2021).

The Popularity of LLPS as a Business Association in Kenya and the UK

One observation that could be argued and put forward is that the popularity of the LLP in the UK and Kenya cannot be denied as it is quite clear that professions such as law, accounting, and architecture have been adopting this form because it offers them the best possible protection from the negligence of fellow partners. Whilst the exact number cannot be quantified its popularity within these professions is undeniable.

Benefits of Limited Liability Partnerships – Lessons from Kenya

LLPs have grown at an exponential rate in the UK (United Kingdom) as of 2000 when legislation was passed, because of three key benefits namely limited liability, separate legal personality, and internal flexibility. The introduction of the LLPs in the UK was due to increasing pressures and demands for a new business vehicle that was suitable for small business firms that are more owner-centric (Freedman, 2000). The celebrated case of Salomon v Salomon (1897)introduced the business world to the concept of limited liability and separate legal personality. These two concepts go hand in hand and bring about the biggest benefit that one could ask for when choosing a business vehicle to establish.

Separate legal personality is a doctrine that allows a business entity to exist separately from its owners by giving it a juristic personality (or separate legal personality) and thus the ability to enter into contracts and agreements in its name by way of agency. In the Zambian case of Associated Chemicals Limited v Hilland Delamain Zambia Limited and Ellis and Company (1998)separate legal personality was explained as follows:

“a company is...not, like a partnership or a family, a mere collection or aggregation of individuals. In the eyes of the law, it is a person distinct from its members or shareholders, a metaphysical entity, or a fiction of law, with legal but no physical existence.

Furthermore, LLPs have limited liability, which protects the personal assets of the partners (Davies, Worthington, and Hare, 2021),and this is radically different from what would normally occur in a generic partnership. This means that because of the separate legal personality status granted to an LLP, the liability of the partnership that might be incurred would be limited to what the LLP owns as opposed to what the partners own in their personal and several capacities (Ray, 2021).

The benefits of LLPs – Lessons from the United Kingdom

Davies, Worthington, and Hare (2021) and Ray (2021) appear to agree that the LLP is advantageous to the point that its merits cannot be denied. The idea of having limited liability yet maintaining the simplicity and flexibility of a partnership remains too attractive a feature for adopters of partnerships to ignore(Kashyap and Kashyap, 2010). More LLPs continue to be formed in the UK signaling their popularity and preference compared to the generic forms available. Its hybrid nature of having the best of both worlds proves to be the biggest determining factor for all new LLPs created. However, this is contrary to what is being seen in Kenya where there are questions as to why they should be more business types under a partnership.

Additionally, one clear thing is the bonus of there being no limit on the number of partners that an LLP may have, and the fact that it is also able to have access to traditional ways of raising funds such as investors and traditional bank loans (limited Liability Partnerships Act, 2012). This has allowed LLPs to bypass the limitations of lesser forms of partnerships that traditionally; until recently had a restriction of twenty, and no access to traditional funding methods as there was no entity to lend to or invest in (Banks and Banks, 2010).

Furthermore, the cost of creating an LLP is low when compared to that of a company. It only requires the preparation of a Partnership deed, whilst companies require a prescribed amount of minimum capital (UK Companies Act, 2008), and the fulfillment of many other legal obligations.

The last benefit to be highlighted is from a taxation point of view. Regarding taxation, the biggest benefit that LLPs have gotten is that they are not going to be subjected to corporate taxes that would normally be associated with companies instead LLPs are seen as partnerships when it comes to taxation and as such, each partner will be subjected to paying his or her own income taxes in line the share of profits that they have received. Thus, resulting in each individual partner paying a possibly lower amount of tax than would be the case if it were a company.

Comparison of the Benefits of LLPs in the United Kingdomand Kenya

The creation of a separate legal personality and all the benefits that come with it not only makethe entity more legitimate in the eyes of clients but also any investor or any provider of finance and/or credit(Morse, 2002).Where an LLP were to fail due to legitimate business operations, bar gross incompetence and professional negligence the personal assets of all partners would be protected and not at risk from those seeking recourse (Freedman, 2000).

Due to the nature of the entity, there is more access to the traditional ways of accessing funding that would normally be availed to an unincorporated entity that does not exist on its own. Including the option of an initial public offering (IPO) or floating on the stock exchange giving access to cheaper financing. In addition, there is no limit on the number of partners that can be included in an LLP as compared to the current partnership in existence as traditionally speaking the number of partners permitted was 20 members (The Regulatory Reform, 2002). Furthermore, the minimum capital requirements as required by companies and no corporate taxes instead taxation is on a member-by-member basis

The advantages noted above are not exhaustive, there are plenty of other advantages that other authors will have identified. However, to present a more balancedwrite-up, disadvantages also must be considered. Of all the disadvantages that exist three are more prominent than others; LLPs tend to be overlooked by venture capitalists and angel investors who much prefer to invest in private limited companies this is due to the fact that venture capitalist and angel investors might end up being saddled with additional responsibilities that they would not want There is more scrutiny than would normally be directed at an ordinary partnership this means that there would be great penalties imposed on the partnership were something to go wrong (Hardman, 2019) The nature of an LLP does make way for certain partners to have more rights than others which might not guarantee certain protection to lesser partners such as junior partners in a firm especially if the senior partners decide to move in a different direction.

Disadvantages of lack of LLPs in Zambia

From the foregoing, it is very apparent that not having LLPs in Zambia has posed several disadvantages for businesses. Notable among the disadvantages is unlimited personal liability which exposes the partners to personal liability for all debts and obligations of the business. The lack of limitation in terms of liability means that the partners' personal assets are at risk should the business face financial or legal disputes. Another related to lack of limited liability is the fact that it deters would be partners from taking risks or investing in new ventures, knowing well that they may expose their personal assets in making good of the business's potential losses(Malila and Chungu, 2019).

Another disadvantage is the potential difficulty that Partnership's may face in attracting investments as lenders may be hesitant to provide capital to businesses that lack limitation of liability. Investors would rather commit their money to businesses which limit their expose to risk. The lack of additional funding has a spiral effect on the growth of partnerships. Without the much-needed additional capital to facilitate their growth, partnerships are stifled as investors may hold back their capital because they are more cautious and conservative due to the higher personal risk involved (Morse, 2002).

Like its sister law, the Sale of Goods Act 1893, the1890 Act has not been revised at all sinceits inception in Zambia possibly because 'it remains irrelevant to many'. This dilemma is common where laws are adopted and are often out of sync with a country's unique legal requirements and conditions resulting from nuances in a country economic cultural and social environment. Thus,while the United Kingdom has taken significant strides to amendment its Saleof Goods Act 1890 culminating into the English Sale of Goods Act 1979(Malila, 2006).

Zambia has remained-behind with the original Act it acquired from its coloniser in 1900. The impact of legal pluralism does not assist to ameliorate the problem by any means and in fact appears to have deepened the divide. Zambia, like many other African countries that were colonised have a pleural legal system that consists of a formal or acquired legal system existing in tandem with a customary law system that includes taking cognisance of the customs of 73 tribal groupings(Malila, 2006).

Criticisms

A general criticism of the Partnership Act1890 is that despite its apparent flexibility, it isviewed as archaic-and outdated. This isbecausethe 1890 Act does not contain an explicitdefinition of what a partnership is. While this lacuna may appear beneficial when it comes tointerpretation of the statute-by the courts when deciding cases; this-oversight may call-intoquestion the effectiveness of the Act from a practical point of view. In particular three elementsof the definition of a partnership are in question namely (a) carrying on a business, (b) incommon, and c) with a view to profit. These three-elements may however be problematicdefinitionally arising from the misunderstanding of what a partnership actually is, and from the-notion that 'parties do not become partners until real trading has begun (Miah v Khan 1998).

This was perception-overturned by the Court of Appeal in the case-of Miah v Khanasa result of what the judges-deemed to-be the Act's apparent vagueness in determining the existence of a partnership."-This vagueness-can be problematic in today's-business world, not only for developing economies-but for advanced-countries as well. Added to this inconsistency, the rule that law may ignore the relevance of an-Act that occurs-before the-business exists, is unrealistic in today's-business-world to say the least and has met with dissention from many prominent judges in their stare-decises; Lord-Buxton being a case in point when one considers the case of *Khan v-Miah* Where he argues that to do so is suggestive that a relationship of agency or trust existed between the parties, leading to separate litigation for each transaction. While Travis J recommends that to correct the problem it would take moving the mark backwards to "*the first commercial activity undertaken,"* which excludes personal activities and removes the restriction to the commencement of a business, the bottom line is that it creates.

Tothisendit could be argued that the1890 Act is fast becoming an outdated piece of acquired-legislation from thelate 19th-Century colonial era that is at odds with newer business models like LLPs, that have changed significantly-to accommodate modern commercial-transactions. For countries that want a more modern approach to their legal systems it is apt that more contemporary legislationbe adopted to reflect not only the legal realities, but international best practice demanded ofthem in commerce This is particularly pertinent in light of the evolution of a rapidly globalising world where standards reset to facilitate cross-border business transactions thatrequire business modem innovative business models and not insular business associations thatconcentrate on business in a single jurisdiction.

The 1890 Act currently does not have any sections to specifically address cross border business realties and thus appears to be asynchronous and inadequate in terms of modern-day approaches to commerce. It is thus ripe-for change.With respect to Zambia in particular, the 1890Act has changed little since its adoption bythe territory when Zambia was still a protectorate called Northern Rhodesia as part of the acquired law. This means that the Act is so old that it fails to take cognisance of the role thattechnology plays in businesses operations, communications, and transactions.

RECOMMENDATIONS

There is need for legislation that will cater for the creation of the LLPs in Zambia because legislation will enhance the entity that is partnership in Zambia. It will further protect the individuals that would be involved, from the partners themselves to the clients that they would be serving. Furthermore, sensitisation of the LLP will need to be carried out so that potential adopters are made aware of its benefits and the knowledge required in creating such an entity in Zambia.

Partnerships that generate over eight hundred Zambian kwacha in annual revenues should be automatically required to register as LLPs due to the vast sums of money that would be involved. However, it should also be available to anyone or any group of people that want to start off as an LLP from the get-go.

The tax breaks that would be available to LLPs should be made clear to any prospective LLP in that even though it would have separate legal personality there would be no need to pay corporate tax instead partners would still be taxed the traditional way as individuals who are self-employed.

CONCLUSION

Partnership in Zambia remains undeveloped and lagging in terms of world standards. The development and rise of the LLPs have proven that it is time for the Zambian business environment to begin embracing the newer more attractive choice of partnership. The facts show that it offers more protections for the partners themselves and opens them up to newer investment options and this should be reason enough for them to choose it. A review of the LLPs in the UK and Kenya has shown it offers way more advantages than the standard partnership and given the option, most aspiring business personnel would adopt it. Whilst legislation in Zambia does not cater for the LLPs, it is recommended that legislation be created to offer this modern version of partnership as the results will only be positive.

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