NAME: SONIA JOSEPH NSIMBEHE

MATRIC NO: 16/SMS02/041

DEPARTMENT : ACCOUNTING

ACC 301 ASSIGNMENT : BENEFITS OF CONVERTING FROM LIMITED LIABILITY COMPANY TO PARTNERSHIP.

However unlikely, limited liability companies convert to partnerships for the following reasons:

1. Ease of starting: a partnership is a much simpler business to start up as compared to limited liability company. Partners simply have to draw up an agreement make sure its documented and then sign it. Registration with the registrar of companies isn't mandatory but advisable. Whereas the incorporation of a limited liability company is a complex task and It is fairly complex compared to partnerships
2. Regulatory compliance: a limited liability company has a long list of regulatory compliances to file and needs to have an audit conducted while partnership doesn't.
3. Members of a partnership have more say in managing it's affairs unlike a limited liability company.
4. Decision making is faster.
5. .It is easier to change the legal structure later should circumstances change.
6. It is less formal and has fewer obligations as well as publicity formalities: