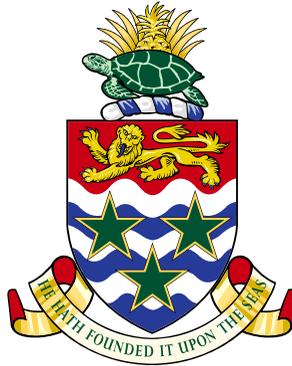


**CAYMAN ISLANDS**



# **LIMITED LIABILITY PARTNERSHIP ACT**

**(2021 Revision)**

**Supplement No. 1 published with Legislation Gazette No. 14 dated 12th February, 2021.**

## PUBLISHING DETAILS

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Law 13 of 2017 consolidated with Laws 42 of 2018, 12 of 2019, 6 of 2020, 52 of 2020 and 56 of 2020 and with Secondary Legislation 146 of 2020, 147 of 2020, 148 of 2020 and 149 of 2020.

Revised under the authority of the *Law Revision Act (2020 Revision)*.

Originally enacted —

Law 42 of 2018-22nd November, 2018

Law 12 of 2019-26th July, 2019

Law 6 of 2020-31st January, 2020

Law 52 of 2020-30th October, 2020

Law 56 of 2020-7th December, 2020.

Originally made —

Limited Liability Partnership (Amendment) Law, 2018 (Commencement) Order, 2020 (SL 146 of 2020), made 24th November, 2020

Limited Liability Partnership (Amendment) Law, 2019 (Commencement) Order, 2020 (SL 147 of 2020), made 24th November, 2020

Limited Liability Partnership (Amendment) Law, 2020 (Commencement) Order, 2020 (SL 148 of 2020), made 24th November, 2020

Limited Liability Partnership (Amendment) (No. 2) Law, 2020 (Commencement) Order, 2020, (SL 149 of 2020), made 24th November, 2020.

Consolidated and revised this 31st day of December, 2020.



**CAYMAN ISLANDS**



**LIMITED LIABILITY PARTNERSHIP ACT**  
**(2021 Revision)**

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## CAYMAN ISLANDS



# LIMITED LIABILITY PARTNERSHIP ACT

(2021 Revision)

## PART 1 - PRELIMINARY

### Short title

1. This Act may be cited as the *Limited Liability Partnership Act (2021 Revision)*.

### Interpretation

2. (1) In this Act —

“**annual return**” shall be construed in accordance with section 20;

“**Cayman Islands exempted limited partnership**” means an exempted limited partnership registered in accordance with section 9 of the *Exempted Limited Partnership Act (2021 Revision)*;

“**Cayman Islands Stock Exchange**” means the Cayman Islands Stock Exchange Company incorporated under section 4 of the *Stock Exchange Company Act (2014 Revision)*;

“**Companies Law**” means the *Companies Act (2021 Revision)*;

“**Court**” means the Grand Court;

“**debt**” includes obligation;

“**dual foreign name**” means an additional name in any language not utilising the Roman alphabet, utilising any letters, characters, script, accents and other diacritical marks, and which does not have to be a translation or transliteration of the name in the Roman alphabet;

“**general partnership**” means a partnership as defined by the *Partnership Act (2013 Revision)* excluding a limited partnership established under Part VI of that Act;

“**limited liability partnership property**” has the meaning given to these words in section 5(1);

“**loss**” includes damage, costs, charges, expenses and injury;

“**managing partner**” shall be construed in accordance with section 4(12);

“**mortgage**” means a legal mortgage by way of assignment and an equitable mortgage, charge or other form of security interest;

“**partner**” means, in relation to a limited liability partnership, any person who is a partner in that limited liability partnership and named as such in the register of partners maintained pursuant to section 9(3)(a) and every person who is admitted as a partner in accordance with section 14 and whose name is entered on the register of partners pursuant to section 9(4) will be considered to be a partner from the date of the partner’s admission;

“**partnership agreement**” means any agreement of the partners as to the affairs of a limited liability partnership and the rights and obligations of the partners among the partners;

“**partnership interest**” means the interest of a partner in a limited liability partnership in respect of profit, capital and voting or other rights, benefits or obligations to which the partner is entitled or subject pursuant to the partnership agreement or this Act;

“**permitted electronic means**” means such electronic means, if any, and related procedures as the Registrar may permit from time to time to be used to file and deliver any particular documents pursuant to this Act;

“**property**” means land, money, goods, things in action, goodwill, and every valuable thing, whether movable or immovable, and whether situated in the Islands or elsewhere, and also means obligations and every description of estate, interest, and profit, present or future, vested or contingent, arising out of or incident to property;

“**register**” means the register maintained pursuant to section 44(2);

“**Registrar**” shall be construed in accordance with section 44(1);

“**retirement**” means any act or occurrence whereby a person ceases to be a partner in a limited liability partnership, other than by the person’s death or otherwise ceasing to exist;

“**registration statement**” means a statement delivered to the Registrar pursuant to section 18 together with any statement delivered to the Registrar pursuant to sections 19 or 27(2) specifying a change in the information stated in the registration statement;



“**regulatory laws**” has the same meaning as in section 2 of the *Monetary Authority Act (2020 Revision)*;

“**special economic zone business**” means business authorised to be carried on in a special economic zone pursuant to any Law in force in the Islands.

- (2) For the purposes of this Act, any reference to a loan includes any payment of interest on the loan which has fallen due.
- (3) In this Act, where a limited liability partnership has more than one managing partner, anything that the managing partner is required by this Act to do, may be done by any one of the managing partners.
- (4) Where more than one person is responsible for winding up the affairs of a limited liability partnership, subsection (3) shall have effect in relation to the persons responsible for winding up the affairs of the limited liability partnership as subsection (3) has effect in relation to managing partners.
- (5) In this Act, any reference to the person responsible for winding up the affairs of a limited liability partnership shall be construed as a reference to the person so responsible by virtue of section 28(1) or (2) or 40(5) acting as liquidator.

### **Saving of rules of equity and common law**

3. The rules of equity and of common law applicable to general partnerships as modified by the *Partnership Act (2013 Revision)* shall apply to a limited liability partnership, except insofar as the rules are inconsistent with the express provisions of this Act.

## **PART 2 – FEATURES OF A LIMITED LIABILITY PARTNERSHIP**

### **Constitution**

4. (1) A limited liability partnership shall only have the benefit of this Act if and for so long as the limited liability partnership is registered in accordance with this Act and upon the issuance of a certificate of registration in respect of a limited liability partnership pursuant to section 18(4), that limited liability partnership shall be considered to have been duly formed under this Act.
- (2) A limited liability partnership may be registered where two or more persons carrying on a business in common for any lawful purpose have agreed, with or without other terms, that the business shall be carried on, following registration, in the form of a limited liability partnership.
- (3) A general partnership shall become a limited liability partnership under this Act upon the registration or conversion of the general partnership pursuant to Part 4 or 6, and shall cease to be a limited liability partnership pursuant to Part 5.

- (4) A limited liability partnership is an entity with legal personality other than a body corporate which is separate and distinct from the partners of the limited liability partnership.
- (5) A change brought about by the admission, retirement or death of a partner, or by a partner liquidating or otherwise ceasing to exist, shall not affect the existence, rights or liabilities of the limited liability partnership.
- (6) Any profits of the business of a limited liability partnership shall be divided between the partners or otherwise as set out in the partnership agreement and the partners shall each have a partnership interest in the limited liability partnership to the extent described in subsection (9).
- (7) Unless otherwise provided in the partnership agreement of a limited liability partnership, a limited liability partnership shall be capable of exercising all the functions of a natural person of full capacity irrespective of any question of benefit.
- (8) Subsection (5) shall not be construed as limiting the circumstances in which a limited liability partnership is or may be wound up and dissolved, whether in accordance with the partnership agreement of the limited liability partnership or otherwise.
- (9) Notwithstanding subsections (4) and (5), each partner in a limited liability partnership has, subject to this Act and to the partnership agreement, a partnership interest in the limited liability partnership and, in accordance with section 30, in the limited liability partnership property.
- (10) Any number of persons may be partners in a limited liability partnership.
- (11) Any person may be a partner in a limited liability partnership including a body corporate, with or without limited liability, and a partnership of any type.
- (12) A limited liability partnership may have one or more managing partners with the responsibilities specified in this Act and otherwise under the partnership agreement of the limited liability partnership, failing which for the purposes of this Act all of the partners will be managing partners.

### **Limited liability partnership property**

5. (1) The property of a limited liability partnership consists of all property —
  - (a) contributed to the limited liability partnership; or
  - (b) created or acquired by or acquired on account of the limited liability partnership either in the course of the limited liability partnership business or with money of the limited liability partnership; and
  - (c) which has not been paid or otherwise distributed to a partner.
- (2) Limited liability partnership property —



- (a) shall be vested in the limited liability partnership or held by any person on behalf of the limited liability partnership; and
- (b) subject to the partnership agreement, and except as provided in section 29(4), shall continue to be so vested or held notwithstanding any change in the persons who are partners in the limited liability partnership for the time being.

### **Liability of a limited liability partnership**

6. (1) A limited liability partnership is liable for all debts and losses of the limited liability partnership and, subject to section 7, no partner shall be liable for those debts and losses, either jointly or jointly and severally.
- (2) There shall be available to meet any liability of a limited liability partnership the property of the limited liability partnership.

### **Liability of a partner or former partner in a limited liability partnership**

7. (1) Subject to subsections (2) and (3), a partner or former partner in a limited liability partnership shall not be liable for any debt or loss of the limited liability partnership, including any debt or loss caused by the act or omission of another partner or former partner in the limited liability partnership.
- (2) Subsection (1) shall not affect any liability of a partner or former partner in a limited liability partnership for any loss caused by a negligent act or omission of that partner or former partner where that partner or former partner assumed an express duty of care to a person and acted in breach of that duty.
- (3) If a partner receives a distribution from, or is released from an obligation owed to, the limited liability partnership and at the time that distribution is made or the release effected —
- (a) the limited liability partnership is unable to pay the debts of the limited liability partnership in the ordinary course of business, including where such distribution or release would cause the limited liability partnership to be unable to pay the debts of the limited liability partnership as those debts fall due in the ordinary course of business; and
  - (b) the partner had actual knowledge that the distribution or release violated paragraph (a),

then for a period or six months commencing on the date of that distribution or release but not thereafter, the partner is liable to return to the limited liability partnership the amount of the distribution or the due performance of the released obligation to the extent the return of such distribution or performance of the released obligation is necessary to discharge any debt or loss of the limited liability partnership, less any amount previously recovered from the partner by virtue of this subsection.

- (4) For the purposes of this section, a limited liability partnership is unable to pay the limited liability partnership's debts at any time when the limited liability partnership is unable to pay the limited liability partnership's debts which have fallen due and become payable in the ordinary course of business, including any liability to a partner or former partner by way of loan, but excluding —
  - (a) any liability to a partner or former partner in respect of the partner or former partner's partnership interest; and
  - (b) any debt to the extent that the limited liability partnership has *bona fide* grounds on which to dispute the debt.
- (5) In any proceedings, the burden of proving that a limited liability partnership had *bona fide* grounds on which to dispute a debt to any extent shall rest with the person denying liability under subsection (3).
- (6) This section shall continue to apply to a person who was a partner or former partner in a limited liability partnership after that limited liability partnership ceases to exist in accordance with Part 5.

### **Name of limited liability partnership**

- 8.** (1) Subject to subsection (1A) and section 8A, every limited liability partnership shall have a name which —
- (a) may, but need not, contain as a suffix the words “Limited Liability Partnership” or the abbreviation “L.L.P.” or “LLP”;
  - (b) in the case of a limited liability partnership carrying on special economic zone business, shall include the words “Special Economic Zone” or the letters “SEZ”; and
  - (c) may be preceded by or followed with a dual foreign name.
- (1A) A limited liability partnership shall not be registered by or have a name which —
- (a) is not permitted under section 8A; or
  - (b) in the opinion of the Registrar, suggests that the limited liability partnership is licensed whether in the Islands or elsewhere to carry on any type or class of business subject to the regulatory laws of the Islands when it is not so licensed or, because of any other reason, is likely to mislead.
- (1B) A person may apply to reserve a specified name for use by a limited liability partnership by —
- (a) filing with the Registrar (including by permitted electronic means) an application executed by the applicant specifying the name to be reserved and the name and address of the applicant; and
  - (b) paying the prescribed application fee, and if the Registrar finds that the name is available for use by the limited liability partnership, the Registrar



may reserve the name for the exclusive use of the applicant for a period of up to one hundred and twenty days.

- (1C) On or before the expiry of the period for name reservation under subsection (1B), the applicant may make further successive applications pursuant to subsection (1B) to reserve the specified name.
- (1D) A limited liability partnership's dual foreign name shall only be entered on the Register if its translated name conforms with the provisions of this section and if it does not so conform then that dual foreign name and that translated name shall not be entered on the Register.
- (1E) If, through inadvertence or otherwise, a limited liability partnership on its first registration or on its registration by a new name or new translated name is registered by a name or a translated name which in any way contravenes this section or which, in the opinion of the Registrar, is misleading or undesirable, then the limited liability partnership may, with the sanction of the Registrar, change its name or its translated name as the case may be and shall, if the Registrar so directs, change its name or translated name within six weeks of the date of such direction or within such longer period as the Registrar may think fit.
- (1F) A limited liability partnership which defaults in complying with a direction under subsection (1E) is liable to a fine of two hundred dollars for every day during which the default continues.
- (2) A change of name of a limited liability partnership shall not take effect before a certificate in respect of the limited liability partnership is issued by the Registrar pursuant to section 19(3).
- (3) Where the name to be registered in respect of a limited liability partnership is, in the opinion of the Registrar, in contravention of subsection (1), the Registrar may —
  - (a) where the name is stated in a registration statement delivered pursuant to section 18, refuse to register the limited liability partnership; and
  - (b) where the name is specified in a registration statement delivered pursuant to section 19(1), refuse to register the name and issue a certificate in respect of the limited liability partnership pursuant to section 19(3).
- (4) A change of name of a limited liability partnership does not affect any rights or obligations of the limited liability partnership or render defective any legal proceedings by or against the limited liability partnership and any legal proceedings that might have been continued or commenced against the limited liability partnership in the limited liability partnership's former name may be continued or commenced against the limited liability partnership in the limited liability partnership's new name.

### Restrictions on registration of certain names

- 8A.** (1) A limited liability partnership shall not be registered by a name which is identical with a name by which a limited liability partnership in existence is already registered or any translated name entered in the register or so nearly resembles such name or translated name so as to be calculated to deceive, except where the limited liability partnership in existence is in the course of being dissolved and signified its consent in such manner as the Registrar requires.
- (2) Except with the consent of the Registrar, a limited liability partnership shall not be registered by a name which —
- (a) contains the words “royal”, “imperial” or “empire” or in the opinion of the Registrar suggests, or is calculated to suggest the patronage of Her Majesty or of any member of the Royal Family or connection with Her Majesty’s Government or any department thereof in the United Kingdom or elsewhere;
  - (b) contains the words “municipal” or “chartered” or any words which in the opinion of the Registrar suggest, or are calculated to suggest, connection with any public board or other local authority or with any society or body incorporated by Royal Charter;
  - (c) contains the words “co-operative”, “assurance”, “bank”, “insurance”, “building society” or any similar word which in the opinion of the Registrar connotes any such activity or any derivative of any of such words or of such similar word, whether in English or in any other language, or in the opinion of the Registrar suggests or is calculated to suggest any such activities; or
  - (d) contains the word “gaming” or “lottery” or any similar word which in the opinion of the Registrar connotes any such activity or any derivative of any such words or of such similar word, whether in English or in any other language, or in the opinion of the Registrar suggests or is calculated to suggest any such activity.
- (3) The provisions of the regulatory laws shall apply to any translated name as if it were the name of the limited liability partnership and a limited liability partnership shall not have a translated name which is a name —
- (a) prohibited under any regulatory laws; or
  - (b) which requires approval or permission under any regulatory laws unless such approval or permission as is necessary for the use of such name under the relevant regulatory laws has first been obtained.
- (4) A limited liability partnership’s dual foreign name shall only be entered on the register if its translated name conforms with the provisions of this section and if it does not so conform then such dual foreign name and such translated name shall not be entered on the register.



**Registered office**

9. (1) A limited liability partnership shall have a registered office in the Islands.
- (2) A limited liability partnership may change the address of the limited liability partnership's registered office to another location in the Islands and shall deliver to the Registrar within thirty days of such change a registration statement in respect of the limited liability partnership pursuant to section 19(1).
- (3) A limited liability partnership shall keep at the registered office of the limited liability partnership —
- (a) a register of partners showing —
    - (i) the name and address of each partner, which may include a business address and indicating which partner, if any, is a managing partner; and
    - (ii) photographic evidence of the identity of the managing partner and the residential address of the managing partner where the managing partner is an individual;
  - (b) a copy of each registration statement delivered pursuant to section 18;
  - (c) a copy of any other registration statement delivered to the Registrar under this Act;
  - (d) a copy of the most recent annual return;
  - (e) a copy of any certificate issued by the Registrar under this Act; and
  - (f) a copy of the partnership agreement, including the nature of each category of partnership interest issued by the limited liability partnership, in either printed or electronic form and thereafter any amendment made to the partnership agreement.
- (4) The register of partners kept under subsection (3)(a) shall be —
- (a) amended within thirty days after any change in the particulars contained in the register;
  - (b) *prima facie* evidence of the particulars which are by that paragraph directed to be contained in the register; and
  - (c) open to inspection by any person during normal business hours on payment of ten dollars or such lesser sum as the limited liability partnership may specify for each inspection including the nature of each category of partnership interest issued by the limited liability partnership.
- (5) A person who inspects the register of partners under subsection (4)(c) may receive a copy of any part of the register of partners on payment of one dollar for every page required to be copied.
- (6) Where a limited liability partnership unreasonably refuses to allow a person to —

- (a) inspect the register of partners under subsection (4)(c); or
  - (b) make a copy of the register of partners under subsection (5) respectively, the limited liability partnership, managing partner or partner who knowingly authorises or permits the refusal is liable to a fine of five hundred dollars for each refusal.
- (7) A person who is refused under subsection (6) may apply to a judge sitting in chambers for an order to compel the limited liability partnership to allow the person to inspect the register of partners.
- (8) A judge sitting in chambers may, upon an application by a person who has been refused under subsection (6), by order, compel an immediate inspection of the register of partners.

### **Register of mortgages**

- 10.** (1) The limited liability partnership shall maintain or cause to be maintained at the limited liability partnership's registered office, a register of mortgages in which shall be registered all mortgages specifically affecting the limited liability partnership property and shall enter or cause to be entered in such register in respect of each such mortgage a short description of the property mortgaged, the amount of the mortgage created and the names of the mortgagees or persons entitled to such mortgage.
- (2) A limited liability partnership property that is mortgaged without the entry required by subsection (1) being made, is in breach of subsection (1) and the Registrar may impose on the limited liability partnership and any partner who knowingly and wilfully authorises or permits the omission of such entry, a penalty of twenty-five dollars for every day during which the breach continues.
- (3) The register of mortgages described in subsection (1) shall be open to inspection by any person during normal business hours and if such inspection is refused, the limited liability partnership is in breach of this section and the Registrar may impose on that limited liability partnership, a penalty of twenty-five dollars for each day for which such refusal continues and, in addition to such penalty, a judge sitting in chambers may, by order, compel an immediate inspection of the register.

### **Accounts and audit**

- 11.** (1) A limited liability partnership shall keep or cause to be kept proper books of account including, where applicable, material underlying documentation including contracts and invoices, with respect to —
- (a) all sums of money received and expended by the limited liability partnership and matters in respect of which the receipt of expenditure takes place;
  - (b) all sales and purchases of goods by the limited liability partnership; and



- (c) the assets and liabilities of the limited liability partnership.
- (2) For the purposes of subsection (1), proper books of account shall not be considered to be kept if there are not kept such books as are necessary to give a true and fair view of the business and financial condition of the limited liability partnership and to explain the limited liability partnership's transactions.
  - (3) A limited liability partnership shall cause all books of account required to be kept under subsection (1) to be retained for a minimum period of five years from the date on which the books of account are prepared.
  - (4) A limited liability partnership which knowingly and wilfully contravenes subsection (1) or (3) commits an offence and is liable on summary conviction to a fine of five thousand dollars.
  - (5) Subject to any express or implied term of the partnership agreement, each partner may demand and shall receive from the limited liability partnership true and full information regarding the state of the business and financial condition of the limited liability partnership.
  - (6) Unless it is a requirement under the regulatory laws or the partnership agreement of a limited liability partnership, it is not necessary for a limited liability partnership to appoint an auditor or to have the accounts of the limited liability partnership audited.
  - (7) Where a limited liability partnership keeps the books of account described in subsection (1) at any place other than at the registered office of the limited liability partnership or at any other place within the Islands, the limited liability partnership shall, upon service of an order or notice by the Tax Information Authority pursuant to the *Tax Information Authority Act (2021 Revision)*, make available, in electronic form or any other medium, at the registered office of the limited liability partnership copies of the books of account of the limited liability partnership, or any part or parts thereof, as are specified in the order or notice.

### **PART 3 - RELATIONS OF PARTNERS IN A LIMITED LIABILITY PARTNERSHIP WITH ONE ANOTHER AND THIRD PARTIES**

#### **Relations of partners with one another**

12. (1) Subject to Parts 1 to 5, the rights and duties of the partners in a limited liability partnership shall, as between the partners, be determined by the partnership agreement.
- (2) Nothing in the partnership agreement may deprive the partners of the benefit of section 7(1).

- (3) Subsection (2) shall not be construed as limiting the ability of the partners in a limited liability partnership, as between the partners, to indemnify any of the partners or any former partner in respect of any debt or loss.

### **Dealings by partners with limited liability partnership**

- 13.** Subject to the terms of the partnership agreement, a partner in a limited liability partnership may enter into any transaction with the limited liability partnership, including lending money to and borrowing money from the limited liability partnership.

### **Admission and retirement of partners**

- 14.** (1) A partner shall only be admitted to a limited liability partnership in accordance with the partnership agreement or by unanimous agreement of the partners.
- (2) Except as described in section 27(1), a partner may only retire from a limited liability partnership in accordance with the partnership agreement or by unanimous agreement of the partners.
- (3) Where all requirements for or conditions to an admission contained in the partnership agreement have been complied with in respect of a person or, to the extent permitted by the partnership agreement, waived, any person, howsoever admitted to a limited liability partnership, shall without the requirement for any further actions or formalities, be considered to have become a partner and adhered to and agreed to be bound by the terms and conditions of the partnership agreement from that date as if that person and all existing partners and any other parties to the partnership agreement had together duly executed and delivered the partnership agreement whether as a deed or otherwise.

### **Assignments, etc.**

- 15.** (1) Subject to the partnership agreement, a partner in a limited liability partnership may transfer or assign the whole or part of the partner's partnership interest and may create a mortgage over the whole or part of the partner's partnership interest.
- (2) No mortgagee of a partner's partnership interest or judgment creditor of a partner in a limited liability partnership shall be entitled, as against the other partners, during the continuance of the limited liability partnership to interfere in the management or administration of the business or affairs of the limited liability partnership or to require any accounts or to inspect the books of the limited liability partnership but shall be entitled only to any proceeds representing any payment or other distribution in respect of that partner's partnership interest and any sum due to the partner by way of repayment of a loan.
- (3) Changes may be made in the partnership interests in a limited liability partnership in the manner provided in the partnership agreement or as may be



agreed unanimously by the partners on the admission or retirement of a partner, on the death of a partner or on a partner otherwise ceasing to exist.

- (4) A transferee or an assignee of all or part of a partnership interest may become a partner in respect of the transferred or assigned, as applicable, partnership interest —
  - (a) if permitted in the partnership agreement and in accordance with the terms of the partnership agreement; or
  - (b) with the unanimous agreement of all of the partners.
- (5) A transferee or an assignee who has become a partner has, to the extent transferred and assigned, the rights and powers and is subject to the restrictions and liabilities, of a partner contained in the partnership agreement, this Act and any other applicable law.
- (6) Notwithstanding subsection (5), unless otherwise provided in a partnership agreement or in an agreement between the limited liability partnership and the transferee or the assignee, a transferee or an assignee, as applicable, that becomes a partner in respect of all or part of a partnership interest —
  - (a) is liable for the obligations of the transferor or assignor, as applicable, to make contributions and fulfil such other obligations as set out in the partnership agreement in respect of the partnership interest, or part thereof, so transferred or assigned; and
  - (b) is not liable for any other obligations of the transferor or assignor, as applicable, incurred before the transferee or assignee is admitted unless otherwise agreed in writing by the transferor and transferee or the assignor and assignee, as applicable.
- (7) Whether or not a transferee or an assignee of a partnership interest becomes a partner, the transferor or assignor, as applicable, is not released from liability to a limited liability partnership under section 7(2) and (3).

### **Agency of partner in a limited liability partnership**

- 16.** (1) A partner in a limited liability partnership is not an agent of the other partners in that limited liability partnership.
- (2) Every partner in a limited liability partnership is the agent of that limited liability partnership and accordingly, but subject to subsection (3), the acts of a partner in the partner's capacity as a partner shall bind the limited liability partnership.
  - (3) The acts of a partner in a limited liability partnership shall not bind that limited liability partnership where —
    - (a) the partner is not acting as a partner or is acting without authority; and
    - (b) the person with whom the partner is dealing knows or should know that to be the position.

- (4) A partner shall not be considered to be acting with authority unless the partner is acting —
  - (a) in the ordinary course of the business of the limited liability partnership; or
  - (b) with express authority conferred by or pursuant to the partnership agreement.
- (5) For the purposes of subsection (3), a person shall be deemed to have notice of the partners identified in the registration statements delivered to the Registrar pursuant to sections 18(3)(d) and 19(1).

### **Agreement as to benefits**

- 17.** A person who has executed the partnership agreement of a limited liability partnership or who is named or otherwise identified in the partnership agreement shall not be deemed to be or otherwise construed as a partner of the limited liability partnership if —
- (a) that person has executed the partnership agreement solely in order to take the benefit of a provision of, or assume an obligation under, the partnership agreement otherwise than as a partner; or
  - (b) where, on a proper construction of the partnership agreement, the parties did not intend the person to be a partner of the limited liability partnership.

## **PART 4 - REGISTRATION OF A LIMITED LIABILITY PARTNERSHIP**

### **Registration of limited liability partnership**

- 18.** (1) An application for registration as a limited liability partnership may be made by persons to whom section 4(2) applies.
- (2) An application shall be in the form of a registration statement delivered to the Registrar with a fee of such amount as the Cabinet shall by regulation prescribe.
- (3) The registration statement shall state —
- (a) the proposed name of the limited liability partnership, such name to comply with section 8(1);
  - (b) the address in the Islands of the registered office of the limited liability partnership;
  - (c) the nature of the business of the limited liability partnership;
  - (d) the name and address (which may be a business address) of each person who is to be a partner in the limited liability partnership;
  - (da) the date of the end of the limited liability partnership's financial year;



- (e) which of the partners under paragraph (d) is to be a managing partner, if any and;
    - (i) in the case of a corporate managing partner, there shall be filed with the registration statement a certificate of incorporation and a certificate of good standing, or similar document under the laws of the jurisdiction of incorporation, or a certificate of registration and a certificate of good standing under Part IX of the *Companies Act (2021 Revision)*; and
    - (ii) in the case of a managing partner which is a partnership to be registered under this Act, there shall be filed with the registration statement a certificate of registration and a certificate of good standing or certified copies thereof; and
  - (f) the term, if any, for which the limited liability partnership is to exist, failing which the limited liability partnership shall be considered to have unlimited duration.
- (4) Subject to section 8(3), upon receipt of an application complying with subsections (2) and (3), the Registrar shall register the limited liability partnership and issue a certificate of registration under the Registrar's hand and seal of office, which certificate of registration shall be conclusive evidence that compliance has been made with all requirements of this Act in respect of the constitution and registration of a limited liability partnership.
- (5) The Registrar shall make the certificates or other documents under subsection (3) available for inspection by any person on payment of a fee of such amount as prescribed by regulations made by the Cabinet and the inspection shall be subject to such conditions as the Registrar may impose.
- (6) Any member of the public shall be entitled to be informed by the Registrar, on request, of the location of the registered office of any limited liability partnership registered under this Act.

### **Changes in registered particulars**

19. (1) Subject to subsection (2), within thirty days after any change in the information stated in the registration statement, the limited liability partnership shall deliver to the Registrar a registration statement specifying the nature of the change and pay to the Registrar a fee of such amount as is prescribed by regulations made by the Cabinet.
- (2) No registration statement is required to be delivered under subsection (1) in respect of the retirement of a partner which is specified in a registration statement delivered pursuant to section 27(2).
- (3) Subject to section 8(3), upon delivery of a registration statement pursuant to subsection (1) in connection with a change of name of a limited liability

partnership, the Registrar shall register the change of name specified in the registration statement and issue a certificate reflecting the change of name.

- (4) If default is made in compliance with subsection (1), the limited liability partnership shall incur a penalty of twenty-five dollars for each day that such default continues, which penalty shall be a debt due to the Registrar.

### **Annual return**

- 20.** (1) Subject to subsection (2), on or before the 31st day of January in every year following the year in which a limited liability partnership is registered, the limited liability partnership shall deliver an annual return to the Registrar stating the nature of the business and the name and address of every person who, on the 1st day of January in that year, was a partner in the limited liability partnership and pay to the Registrar an annual fee of such amount as the Cabinet shall by regulation prescribe.
- (2) The Registrar may impose upon a limited liability partnership which fails to comply with subsection (1), where the annual return is submitted or annual fee is paid —
- (a) in the second quarter of the calendar year, a penalty of 33.33% of the annual fee;
  - (b) in the third quarter of the calendar year, a penalty of 66.67% of the annual fee; and
  - (c) in or after the fourth quarter of the calendar year, a penalty of 100% of the annual fee.

### **Validity of registration**

- 21.** No error in any registration statement or any annual return delivered to the Registrar pursuant to this Act, nor any default in the delivery of an annual return, any such registration statement or any copy required to be delivered to the Registrar under this Act shall affect the validity of the registration of a limited liability partnership.

### **Licensing requirements**

- 21A.** A limited liability partnership registered under section 18(4) or section 33(4) shall comply with any applicable licensing requirements under any other Law.

## **PART 5 - WINDING UP, DISSOLUTION AND STRIKE-OFF**

### **Voluntary Winding up**

- 22.** (1) A limited liability partnership shall be voluntarily wound up in accordance with the provisions of the partnership agreement —



- (a) at the time or upon the occurrence of any event specified in the partnership agreement; or
- (b) unless otherwise specified in the partnership agreement, upon the passing of a resolution of a two-thirds' majority of the partners.

### **No winding up upon a change in the partners in a limited liability partnership**

**23.** A limited liability partnership shall not be wound up by any change in the persons who are partners unless the partnership agreement provides otherwise.

### **Winding up upon limited liability partnership ceasing to have two or more partners**

**24.** Notwithstanding any provision, express or implied, of the partnership agreement to the contrary, a limited liability partnership shall be wound up automatically upon there ceasing to be two or more partners in the partnership.

### **Notice of winding up**

**25.** Upon the completion of the winding up of a limited liability partnership, the voluntary liquidator shall file a notice of dissolution with the Registrar and a limited liability partnership shall not be dissolved by an act of the partners or otherwise until a notice of dissolution signed by the voluntary liquidator has been filed with the Registrar.

### **Power of Court to order winding up**

- 26.** (1) Except to the extent that the provisions are not consistent with this Act, and in the event of any inconsistencies, this Act shall prevail, and subject to any express provisions of this Act to the contrary, the provisions of Part V of the *Companies Act (2021 Revision)* and the *Companies Winding Up Rules 2018* shall apply to the winding up of a limited liability partnership and for this purpose —
- (a) references in Part V of the *Companies Act (2021 Revision)* to a company shall include references to a limited liability partnership;
  - (b) the partners shall be treated as if those partners were shareholders of a company and references to contributories in Part V of the *Companies Act (2021 Revision)* shall be construed accordingly, except that the application of the provisions shall not cause a partner to be subject to any greater liability than the partner would otherwise bear under this Act but for the application of this paragraph;
  - (c) references in Part V of the *Companies Act (2021 Revision)* to a director or officer of a company shall include references to the managing partner of a limited liability partnership;
  - (d) except for sections 123, excluding paragraphs (1)(b) and (1)(c), 129, 140, 145 and 147 of the *Companies Act (2021 Revision)*, Part V shall not apply to a voluntary winding up under subsection (1);

- (e) the Insolvency Rules Committee established pursuant to the *Companies Act (2021 Revision)* shall have the power to make rules and prescribe forms for the purpose of giving effect to this section or the interpretation of this section; and
  - (f) on application by a partner, creditor or liquidator, the Court may make orders and give directions for the winding up and dissolution of a limited liability partnership as may be just and equitable.
- (2) Notwithstanding that the winding up of a limited liability partnership has commenced, a creditor who has security over the whole or part of the assets of the limited liability partnership is entitled to enforce the creditor's security without the leave of the Court and without reference to the liquidator appointed to wind up the limited liability partnership.
  - (3) Where a liquidator sells assets on behalf of a secured creditor of a limited liability partnership, the liquidator is entitled to deduct from the proceeds of sale a reasonable sum by way of remuneration.
  - (4) Where a limited liability partnership is being wound up and a liquidator is appointed, the Registrar shall within twenty-eight days of the appointment be notified of the name and business address of the liquidator.
  - (5) The winding up of a limited liability partnership shall be deemed to commence upon the earlier to occur of any of the following —
    - (a) the passing of a resolution for winding up;
    - (b) any automatic wind up date;
    - (c) the expiry of the period fixed for the duration of the limited liability partnership by the partnership agreement;
    - (d) the occurrence of an event provided by the partnership agreement upon which the limited liability partnership is to be wound up; or
    - (e) where a winding up order has been made, the presentation of the petition for winding up.

### **Continuation of limited liability partnership following winding up**

- 27.** (1) Where, following commencement of voluntary winding up of a limited liability partnership but before completion of the winding up of the limited liability partnership's affairs, two or more of the partners are to acquire the partnership interests of each of the remaining partners or the sole remaining partner, or the personal or other legal representative of the sole remaining partner and one or more persons who have agreed to become partners are to acquire the limited liability partnership assets, either by agreement or upon a direction of the Court pursuant to section 29(2) —



- (a) the affairs of the limited liability partnership shall not be wound up and dissolved and the limited liability partnership shall continue as if the limited liability partnership had not been subject to winding up; and
  - (b) upon the acquisition taking place, the partners whose partnership interests are acquired shall be taken to retire from it.
- (2) One of the acquiring partners shall, within thirty days after the agreement or direction described in subsection (1), deliver to the Registrar a statement of cessation of winding up signed by the partner specifying —
- (a) the date of acquisition of the retiring partners' partnership interests;
  - (b) the names of the acquiring partners and indicating which of the partners, if any, is to be a managing partner; and
  - (c) the names of the retiring partners.

### **Winding up**

**28.** (1) Subject to subsection (2) and section 27 —

- (a) in the event of the voluntary winding up of a limited liability partnership in the circumstances described in section 24, the limited liability partnership's affairs shall be wound up by the person who, at the time of the commencement of the winding up, was the last remaining partner or, if the partner is deceased or liquidated or otherwise ceases to exist, the partner's personal representatives, liquidator or other legal representative and such person shall act as voluntary liquidator; and
  - (b) in the event of the voluntary winding up of a limited liability partnership in any other circumstances, the limited liability partnership's affairs shall be wound up by a person acting as liquidator appointed by a majority of partners or otherwise as provided in the partnership agreement or, if none, the managing partner, or if more than one, all of the managing partners.
- (2) After the commencement of the winding up of a limited liability partnership, the limited liability partnership shall cease to carry on business except so far as may be beneficial for the limited liability partnership's winding up by the limited liability partnership's liquidator.

### **Power of Court to give directions as to winding up**

- 29.** (1) The Court may give such directions as the Court thinks fit in the course of the winding up of the affairs of a limited liability partnership upon the application of —
- (a) any partner in the limited liability partnership or the partner's legal representatives;
  - (b) any creditor of the limited liability partnership; or

- (c) the person acting as liquidator who is responsible for winding up the affairs of the limited liability partnership.
- (2) Without prejudice to the discretion conferred by subsection (1), on an application by the relevant majority, the Court may give a direction that the applicants purchase the partnership interest of each of the remaining partners at such price and otherwise upon such terms as the Court thinks fit.
- (3) In subsection (2), “**relevant majority**” in relation to a limited liability partnership shall have the meaning assigned to those words for the purposes of that subsection by the partnership agreement or, if no meaning is so assigned, shall mean a majority of the partners of which such limited liability partnership was composed at the date of the commencement of the winding up, being either —
  - (a) a majority of the partners by number; or
  - (b) the number of partners which were at the date of commencement of winding up together entitled to a majority of the profits of the limited liability partnership.
- (4) In subsection (2), the reference to the partnership interest of each of the remaining partners includes the partnership interest of any partner who is deceased or liquidated or has otherwise ceased to exist.

### Settling accounts on winding up

- 30.** (1) The limited liability partnership property shall, on a winding up of the limited liability partnership, be distributed in the following order of priority —
- (a) liabilities to creditors, excluding any partner or former partner in the limited liability partnership in respect of the partner’s or former partner’s partnership interest or in respect of any loan made by the partner or any former partner to the limited liability partnership for any purpose; then
  - (b) subject to the partnership agreement and to any agreement between the limited liability partnership and any former partner in question —
    - (i) liabilities to former partners in the limited liability partnership in respect of any loans made by the former partners to the limited liability partnership for any purpose, then
    - (ii) liabilities to former partners in the limited liability partnership in respect of their partnership interests or otherwise; then
  - (c) subject to the partnership agreement and to any agreement between the limited liability partnership and any former partner in question —
    - (i) liabilities to partners in the limited liability partnership in respect of any loans made by the partners to the limited liability partnership for any purpose; then



- (ii) liabilities to partners in the limited liability partnership in respect of their partnership interests or otherwise.
- (2) Subject to the partnership agreement, any limited liability partnership property remaining after payment of the liabilities described in subsection (1) shall be distributed equally to the partners.

### **Strike off**

- 31.** (1) The Registrar may strike a limited liability partnership off the register where —
- (a) the Registrar has reasonable cause to believe that a limited liability partnership is not carrying on business or is not in operation; or
  - (b) where an administrative fine imposed by the Registrar on a limited liability partnership in accordance with Part 9 remains unpaid for ninety days after the imposition of the fine,
- and the limited liability partnership shall thereupon be dissolved.
- (2) A request on behalf of a limited liability partnership to strike the limited liability partnership off the register shall be accompanied by a fee of such amount as is prescribed by regulations made by the Cabinet.
- (3) Where a limited liability partnership is being wound up, and the Registrar has reasonable cause to believe either that no liquidator is acting, or that the affairs of the limited liability partnership are fully wound up, the Registrar may strike the limited liability partnership off the register and the limited liability partnership shall thereupon be dissolved without the need for a notice of dissolution to be filed pursuant to section 30.
- (4) The Registrar shall immediately publish a Notice in the Gazette to the effect that the limited liability partnership in question has been struck off the register, the date on which the limited liability partnership has been struck off and the reason therefor.
- (5) If any partner of a limited liability partnership or creditor thereof objects to the limited liability partnership having been struck off the register in accordance with this section, the Court on the application of such partner or creditor made within two years or such longer period not exceeding ten years as the Cabinet may allow of the date on which the limited liability partnership was so struck off, may, if satisfied that the limited liability partnership was, at the time of the striking off thereof, carrying on business or in operation, or otherwise, that it is just that the limited liability partnership be restored to the register, order the name of the limited liability partnership to be restored to the register, on payment by the relevant applicant of a reinstatement fee equivalent to the original registration fee and on such terms and conditions as to the Court may seem just, and thereupon the limited liability partnership shall be deemed to have continued in existence as if the name of the limited liability partnership had not been struck off; and the Court may, by the same or any subsequent order,

give such directions and make such provisions as seem just for placing the limited liability partnership and all other persons in the same position as nearly as may be as if the limited liability partnership had not been struck off.

- (6) The striking off the register of any limited liability partnership under this Act shall not affect the liability, if any, of any partner of the limited liability partnership, and such liability shall continue and may be enforced as if the limited liability partnership had not been dissolved.
- (7) No liability shall attach for any act performed or thing done or omission by the Registrar under this section.
- (8) Any property that is held or considered to be held by a limited liability partnership that is struck off the register under this section, and not otherwise restored to the register pursuant to subsection (5) shall thereupon vest in the Financial Secretary and shall be subject to disposition by the Cabinet, or to retention for the benefit of the Islands.

## **PART 6 - CONVERSION OF FIRM TO LIMITED LIABILITY PARTNERSHIP**

### **Eligibility of a firm to convert to a limited liability partnership**

- 32.** (1) Subject to this Part, a firm may apply to convert to a limited liability partnership if —
- (a) the persons who shall be partners of the limited liability partnership to which the firm is to be converted comprise all the partners of the firm at the time of such conversion and no other person; and
  - (b) a firm publishes notice of the firm’s application to convert to a limited liability partnership in the Gazette at least twenty-eight days prior to the date on which the conversion is proposed to take effect.
- (2) In this Part —
- “**firm**” has the meaning given in the *Partnership Act (2013 Revision)*; and
- “**convert**”, in relation to a firm converting to a limited liability partnership, means a transfer of the property, interests, rights, including choses in action, debts, obligations and the undertaking of the firm to the limited liability partnership in accordance with the provisions of this Part.

### **Application for conversion and registration as a limited liability partnership**

- 33.** (1) A firm may apply to convert to a limited liability partnership by filing with the Registrar —
- (a) a consent signed by all the partners of a firm that such firm should be so converted; and



- (b) an application for conversion together with the documents specified by the Registrar.
- (2) The consent shall adopt a registration statement of a limited liability partnership and a partnership agreement in conformity with the requirements of this Act to take effect upon registration of the conversion.
- (3) The conversion application shall be accompanied by a conversion fee equal to the fee payable on the registration of a limited liability partnership pursuant to section 18(2).
- (4) If, on an application under this section, the Registrar is satisfied that a firm may be converted to a limited liability partnership under this Part, the Registrar shall —
  - (a) retain (in such form as the Registrar may determine) the application and other documents delivered to the Registrar under this section;
  - (b) issue a certificate of registration stating that the firm has been converted to a limited liability partnership; and
  - (c) enter such details in the register in respect of the limited liability partnership's conversion as the Registrar considers appropriate.
- (5) Subject to this Part, upon the issue of a certificate of registration under subsection (4) —
  - (a) the firm, by virtue of the issue of that certificate, is converted into and becomes a limited liability partnership; and
  - (b) the partnership agreement adopted in the consent shall take effect accordingly.
- (6) The certificate of registration issued under this section is conclusive evidence that —
  - (a) the requirements of this Act in respect of conversion and of matters precedent and incidental thereto have been complied with; and
  - (b) the limited liability partnership is registered as a limited liability partnership with the name specified in such certificate of registration.

### **Effect of conversion and registration as a limited liability partnership**

- 34.** (1) Subject to section 35, on and from the date the conversion takes effect and the registration of the firm as a limited liability partnership —
- (a) all property of the firm and all interests, rights, including choses in action, debts and obligations relating to the firm shall be transferred and vest in the limited liability partnership without the requirement for further actions or formalities; and
  - (b) the firm shall be dissolved.

- (2) All proceedings by or against the firm which are pending immediately before the date of registration of the limited liability partnership, may be continued, completed and enforced by or against the limited liability partnership and any judgment, ruling or order in favour of or against the firm may be enforced by or against the limited liability partnership.
- (3) All agreements, contracts, bonds, schemes, instruments, arrangements, security, guarantees, indemnities, approvals and licences subsisting immediately before the date of registration of the limited liability partnership to which the firm is a party, or otherwise relating to the firm, whether or not of such nature that the rights and liabilities thereunder could be assigned, shall continue in force on and after that date as if the agreements, contracts, bonds, schemes, instruments, arrangements, security, guarantees, indemnities, approvals and licences relate to the limited liability partnership and shall be enforceable by or against the limited liability partnership as if the limited liability partnership were a party thereto or otherwise named therein, as appropriate, instead of the firm.
- (4) For the avoidance of doubt, every contract of employment to which subsection (3) applies shall continue in force on and after the date of registration of the limited liability partnership as if the limited liability partnership were the employer thereunder instead of the firm.
- (5) A conversion under this Part shall not be regarded as giving rise to any remedy, by a party to a contract or other instrument, as an event of default under any contract or other instrument or as causing or permitting the termination of any contract or other instrument or of any obligation or relationship.
- (6) Every appointment of the firm or the partners of the firm in any role or capacity, including, for the avoidance of doubt, a prospective, conditional or contingent appointment, which is in force immediately before the date of registration of the limited liability partnership shall have effect from that date as if the limited liability partnership were so appointed, and any authority or power conferred on the firm or the partners of that firm, including, for the avoidance of doubt, a prospective, conditional or contingent authority or power, which is in force immediately before the date of the registration of the limited liability partnership shall have effect from that date as if it were conferred on the limited liability partnership.
- (7) Except as expressly provided for in the partnership agreement of a limited liability partnership, subsection (6) is of no effect in respect of an appointment of a named individual.



**Partners of a firm to be converted into a limited liability partnership to remain liable for liabilities of firm before conversion**

- 35.** (1) Save with the written consent of any person thereby affected, every partner of a firm that has converted to a limited liability partnership shall continue to be personally liable, jointly and severally with the limited liability partnership, for the debts and obligations of the firm which were incurred before conversion or which arise from any contract entered into before conversion.
- (2) If such a partner of a firm discharges any such debt or obligation, the partner shall be entitled, subject to any express provision in the partnership agreement to the contrary, to be fully indemnified by the limited liability partnership in respect of that debt or obligation.

**Notice of conversion**

- 36.** (1) A limited liability partnership that has converted from a firm shall ensure that for a period of twelve months from the date of registration of the limited liability partnership, all correspondence of the limited liability partnership and every invoice issued by it bears —
- (a) a statement that, on the date of registration of the limited liability partnership, it converted from a firm to a limited liability partnership, and
- (b) the name of the firm from which it was converted.
- (2) The Registrar may impose on a limited liability partnership which contravenes subsection (1) a penalty of two hundred dollars, which penalty shall be a debt due to the Registrar.

**PART 7 - MISCELLANEOUS AND GENERAL****Deregistration pursuant to partnership agreement**

- 37.** A limited liability partnership may at any time terminate the registration of the limited liability partnership as a limited liability partnership, if termination of registration is permitted under the terms of the partnership agreement, by filing a written notice of termination of registration with the Registrar together with written confirmation that the action is authorised by the partnership agreement.

**Deregistration for purposes of continuation in another jurisdiction**

- 38.** (1) A limited liability partnership which proposes to be registered by way of continuation as a partnership, body corporate or any other form of entity under the laws of any jurisdiction outside the Islands, hereinafter called an “applicant partnership” may apply to the Registrar to be deregistered in the Islands.
- (2) The Registrar shall deregister an applicant partnership if —

- (a) the applicant partnership proposes to register by way of continuation in a jurisdiction which permits or does not prohibit the transfer of the applicant partnership in the manner provided in this section, in this section referred to as a “relevant jurisdiction”;
- (b) the applicant partnership has paid to the Registrar a fee equal to three times the annual fee that would have been payable pursuant to section 20(1) in the January immediately preceding the application for deregistration;
- (c) the applicant partnership has filed with the Registrar notice of any proposed change in the name of the applicant partnership and of the applicant partnership’s proposed registered office or agent for service of process in the relevant jurisdiction;
- (d) no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up, dissolve or liquidate the applicant partnership in any jurisdiction;
- (e) no receiver, trustee or administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the applicant partnership, the affairs or property of the applicant partnership or any part thereof;
- (f) no scheme, order, compromise or other similar arrangement has been entered into or made whereby the rights of creditors of the applicant partnership are and continue to be suspended or restricted;
- (g) the applicant partnership is able to pay the debts of the applicant partnership as those debts fall due;
- (h) the application for deregistration is *bona fide* and not intended to defraud creditors of the applicant partnership;
- (i) the applicant partnership has delivered to the Registrar an undertaking that notice of the transfer has been or will be given within twenty-one days to the secured creditors of the applicant partnership;
- (j) any consent or approval to the transfer required by any contract or undertaking entered into or given by the applicant partnership has been obtained, released or waived, as the case may be;
- (k) the transfer is permitted by and has been approved in accordance with the partnership agreement of the applicant partnership;
- (l) the laws of the relevant jurisdiction with respect to transfer have been or will be complied with;
- (m) the applicant partnership, if licensed under the regulatory laws has obtained the consent of the Cayman Islands Monetary Authority to the transfer;



- (n) the applicant partnership will upon registration under the laws of the relevant jurisdiction continue as a partnership, body corporate or other entity; and
  - (o) the Registrar is not aware of any other reason why it would be against the public interest to deregister the applicant partnership.
- (3) Subsection (2)(d), (e), (f), (g), (h), (j), (k), (l) and (n) shall be satisfied by filing with the Registrar a voluntary declaration or affidavit of an authorised signatory of the applicant partnership to the effect that, having made due enquiry, the Registrar is of the opinion that the requirements of those paragraphs have been met and which declaration or affidavit shall include a statement of the assets and liabilities of the applicant partnership made up to the latest practicable date before the making of the declaration or affidavit.
- (4) A person who, being an authorised signatory of the applicant partnership, makes a declaration or affidavit under subsection (3) without reasonable grounds therefor commits an offence and is liable on summary conviction to a fine of fifteen thousand dollars and to imprisonment for a term of five years.
- (5) An applicant partnership shall be entitled to request that the applicant partnership either be deregistered immediately upon the Registrar being satisfied that the applicant partnership has complied with subsection (2) or that the applicant partnership first be provisionally deregistered upon the Registrar being satisfied that the applicant has complied with subsection (2) and in the event that the applicant partnership requests that the applicant partnership first be provisionally deregistered, the Registrar shall confirm such provisional deregistration, and the date thereof, in writing to the applicant partnership, but the Registrar shall only complete the deregistration of the applicant partnership upon receipt of such evidence as the Registrar considers appropriate that the applicant partnership has been reregistered, or will be reregistered contemporaneously with the applicant partnership's deregistration, in the relevant jurisdiction and in the event the Registrar has not received such evidence within ninety days of the date of provisional deregistration, the provisional deregistration shall be cancelled and the applicant partnership, if the applicant partnership wishes to be deregistered, shall apply anew for deregistration.
- (6) Upon deregistration of an applicant partnership under this section, the Registrar shall issue a certificate under the Registrar's hand and seal of office that the applicant partnership has been deregistered as a limited liability partnership and specifying the date of such deregistration.
- (7) The Registrar shall enter in the register the date of deregistration of the applicant partnership.
- (8) Subject to subsection (9), from the commencement of the date of deregistration, the applicant partnership shall cease to be a limited liability partnership for all

purposes under this Act and shall continue as a partnership, body corporate or other entity under the laws of the relevant jurisdiction.

- (9) Subsection (8) shall not operate —
- (a) to create a new legal entity unless otherwise provided by the laws of the relevant jurisdiction;
  - (b) to prejudice or affect the identity or continuity of the applicant partnership as previously constituted unless otherwise provided by the laws of the relevant jurisdiction;
  - (c) to affect the property of any applicant partnership;
  - (d) to affect any appointment made, resolution passed or any other act or thing done in relation to the applicant partnership pursuant to a power conferred by the partnership agreement of the applicant partnership or by the laws of the Islands;
  - (e) except to the extent provided by or pursuant to this section, to affect the rights, powers, authorities, functions and liabilities or obligations of the applicant partnership or any other person unless otherwise provided by the laws of the relevant jurisdiction; or
  - (f) to render defective any legal proceedings by or against the applicant partnership, and any legal proceedings that could have been continued or commenced by or against the applicant partnership before the applicant partnership's deregistration hereunder may, notwithstanding the deregistration, be continued or commenced by or against the applicant partnership after deregistration.
- (10) The Registrar shall forthwith give notice in the Gazette of the deregistration of any applicant partnership under this section, the jurisdiction under the laws of which the applicant partnership has been registered by way of continuation and the name of the applicant partnership, if changed.

### **Continuation from another jurisdiction to the Islands**

- 39.** (1) A foreign limited liability partnership, hereinafter called a “registrant partnership”, may apply to the Registrar to be registered by way of continuation as a limited liability partnership under this Act.
- (2) The Registrar shall register a registrant partnership if —
- (a) the registrant partnership is registered in a jurisdiction which permits or does not prohibit the transfer of the registrant partnership in the manner provided in this section (hereinafter in this section referred to as a "relevant jurisdiction");
  - (b) the registrant partnership has paid to the Registrar a fee equal to the fee payable on the registration of a limited liability partnership pursuant to section 18(2);



- (c) the registrant partnership has delivered to the Registrar a copy of the registrant partnership's certificate of registration in the relevant jurisdiction and of any registration statements or equivalent filed in the relevant jurisdiction;
- (d) the registrant partnership has delivered to the Registrar a registration statement signed by or on behalf of the registrant partnership containing the information required on registration of a limited liability partnership under section 18(3) and specifying —
  - (i) the jurisdiction in which the registrant partnership is established; and
  - (ii) whether the registrant partnership is deemed to be a separate legal person under the laws of the relevant jurisdiction and, if so, the full name and address of any managing partner or other person, if not identified as provided in paragraph (c), who immediately controls or directs the affairs of the registrant partnership;
- (e) the name of the registrant partnership is acceptable to the Registrar under section 8(1) or the registrant partnership has undertaken to change the name to an acceptable name within sixty days of registration;
- (f) no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up, dissolve or liquidate the registrant partnership in any jurisdiction;
- (g) no receiver, trustee or administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the registrant partnership, the registrant partnership's affairs or the property of the registrant partnership or any part thereof;
- (h) no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the registrant partnership are and continue to be suspended or restricted;
- (i) the registrant partnership is able to pay the debts of the registrant partnership as those debts fall due;
- (j) the application for registration is *bona fide* and not intended to defraud creditors of the registrant partnership;
- (k) the registrant partnership has delivered to the Registrar an undertaking that notice of the transfer has been or will be given within twenty-one days to the secured creditors of the registrant partnership;
- (l) any consent or approval to the transfer required by any contract or undertaking entered into or given by the registrant partnership has been obtained, released or waived, as the case may be;
- (m) the transfer is permitted by and has been approved in accordance with the partnership agreement of the registrant partnership;

- (n) the laws of the relevant jurisdiction with respect to transfer have been or will be complied with;
  - (o) the registrant partnership is constituted in a form or substantially a form which could have been formed and registered as a limited liability partnership under this Act;
  - (p) the registrant partnership will upon registration under this Act cease to be formed, registered or exist under the laws of the relevant jurisdiction;
  - (q) the registrant partnership, if the registrant partnership is, or will when registered be, prohibited from carrying on the registrant partnership's business in or from within the Islands unless licensed under any law, has applied for and obtained the requisite licence; and
  - (r) the Registrar is not aware of any other reason why it would be against the public interest to register the registrant partnership.
- (3) Subsection (2) (f), (g), (h), (i), (j), (l), (m), (n) and (p) shall be satisfied by filing with the Registrar a voluntary declaration or affidavit of an authorised signatory of the registrant partnership to the effect that, having made due enquiry, the Registrar is of the opinion that the requirements of those paragraphs have been met and which declaration or affidavit shall include a statement of the assets and liabilities of the registrant partnership made up to the latest practicable date before the making of the declaration or affidavit.
- (4) Whoever, being an authorised signatory of the registrant partnership, makes a declaration or affidavit under subsection (3) without reasonable grounds therefor commits an offence and is liable on summary conviction to a fine of fifteen thousand dollars and to imprisonment for a term of five years.
- (5) A registrant partnership may apply to be provisionally registered by way of continuation as a limited liability partnership under this Act.
- (6) The Registrar shall provisionally register a registrant partnership if —
- (a) the registrant partnership complies with the requirements of subsection (2)(a), (c), (d), (f), (g), (h), (i), and (o); and
  - (b) the registrant partnership has paid to the Registrar a fee of such amount as is prescribed by regulations made by the Cabinet.
- (7) Subsection (2)(f), (g), (h), (i) and (o) shall be satisfied by filing with the Registrar a voluntary declaration or affidavit of an authorised signatory of the registrant partnership to the effect that, having made due enquiry, the authorised signatory is of the opinion that the requirements of those paragraphs have been met, and subsection (4) shall, *mutatis mutandis*, apply with respect to such declaration or affidavit.
- (8) The Registrar shall register a registrant partnership which is provisionally registered pursuant to subsection (6) upon the requirements of subsection (2)(b),



- (e), (j), (k), (l), (m), (n), (p), (q) and (r) being met, as to which subsection (3) shall, *mutatis mutandis*, apply where relevant.
- (9) Upon provisional registration of a registrant partnership under subsection (8), the Registrar shall issue a certificate under the Registrar's hand and seal of office that the registrant partnership has been provisionally registered by way of continuation as a limited liability partnership and specifying the date of such provisional registration.
- (10) The Registrar shall enter in the register the date of provisional registration and name of the registrant partnership.
- (11) A registrant partnership which is provisionally registered shall —
- (a) within sixty days after registration, deliver, to the Registrar details of any changes in the information required by paragraphs (c) and (d) of subsection (2);
  - (b) file with the Registrar in January of each year following provisional registration, a voluntary declaration or affidavit in the form described in subsection (7); and
  - (c) pay to the Registrar in January of each year following provisional registration, a fee of such amount as is prescribed by regulations made by the Cabinet.
- (12) A registrant partnership which is provisionally registered and which fails to comply with subsection (11)(b) and (c) by 30th June in such year shall cease to be provisionally registered but without prejudice to being provisionally registered anew hereunder upon complying with the requirements of this section.
- (13) Upon registration of a registrant partnership under this section, the Registrar shall issue a certificate under the Registrar's hand and seal of office that the registrant partnership has been registered as a limited liability partnership and specifying the date of such registration, and section 18(4) shall apply, *mutatis mutandis*, to such certificate.
- (14) The Registrar shall enter in the register the date of registration of the registrant partnership.
- (15) Subject to subsection (16), from the date of registration of the registrant partnership, the registrant partnership shall continue as a limited liability partnership as if formed and registered as a limited liability partnership under and subject to this Act, the provisions of which shall apply to the limited liability partnership and to persons and matters associated therewith as if such limited liability partnership were so formed and registered;
- (16) Subsection (15) shall not operate —
- (a) to create a new legal entity;

- (b) to prejudice or affect the identity or continuity of the registrant partnership as previously constituted;
  - (c) to affect the property of the registrant partnership;
  - (d) to affect any appointment made, resolution passed or any other act or thing done in relation to the registrant partnership pursuant to a power conferred by the partnership agreement of the registrant partnership or by the laws of the relevant jurisdiction;
  - (e) except to the extent provided by or pursuant to this section, to affect the rights, powers, authorities, functions and liabilities or obligations of the registrant partnership or any other person; or
  - (f) to render defective any legal proceedings by or against the registrant partnership, and any legal proceedings that could have been continued or commenced by or against the registrant partnership before the registrant partnership's registration hereunder may, notwithstanding the registration, be continued or commenced by or against the registrant partnership after registration.
- (17) A registrant partnership shall, within ninety days of the registrant partnership's registration, make such amendments, alterations, modifications, variations, deletions and additions, if any, to the partnership agreement of the registrant partnership as are necessary to ensure that the amendments, alterations, modifications, variations, deletions and additions, comply with the requirements of this Act.
- (18) Within ninety days of registration, the registrant partnership may, instead of making the changes required by subsection (17), apply to the Court for an order approving such changes and the Court, if satisfied that the changes, with such modifications, if any, as the Court considers appropriate, are necessary to ensure that the partnership agreement of the registrant partnership complies with the requirements of this Act, may approve the changes accordingly and make such consequential orders as the Court thinks fit.
- (19) After registration of the registrant partnership and until such time as the partnership agreement of the registrant partnership is changed to comply with the requirements of this Act or to the extent the partnership agreement cannot be changed so to comply, this Act shall prevail.
- (20) The Registrar shall forthwith give notice in the Gazette of the registration of any registrant partnership under this section, the jurisdiction under the laws of which the registrant partnership was previously formed, registered or existing and the previous name of the registrant partnership, if different from the current name.
- (21) In this section —
- “foreign limited liability partnership”** means a limited liability partnership or limited partnership established in a recognised jurisdiction outside the Islands.



“**recognised jurisdiction**” is one that is prescribed as such by the Cabinet in regulations made under this Act.

### **Recognition of proceedings in other jurisdictions**

- 40.** (1) This section applies where an order is made by a court outside of the Islands for the winding up of the affairs of a limited liability partnership, and references in this section to an order shall be construed accordingly.
- (2) For the purposes of this Act, a limited liability partnership shall not be taken to be wound up by an order until that order has been recognised by the Court, but, once an order has been recognised by the Court, the order shall be taken to be an order for the winding up of the affairs of the limited liability partnership with effect from the date on which such order is recognised by the Court.
- (3) An application to the Court for recognition of an order may be made by the person appointed under the order to wind up the affairs of the limited liability partnership or, if none, the person on whose application the order was made.
- (4) In determining whether or not to recognise an order the Court shall have regard to whether the grounds on which the order is made would constitute grounds for winding up in the Islands.
- (5) Where the Court decides to recognise an order, the Court may also appoint a person as liquidator to be responsible for winding up the affairs of the limited liability partnership and give such directions as the Court thinks fit as to the winding up.
- (6) Where the Court decides to recognise an order in respect of a limited liability partnership, the person acting as liquidator and responsible for winding up the affairs of the limited liability partnership shall deliver a copy of the decision of the Court to the Registrar within thirty days after the order is made.

### **Legal proceedings**

- 41.** (1) Legal proceedings by or against a limited liability partnership or any partner of a limited liability partnership in the partner’s capacity as such shall be instituted only by or against the limited liability partnership and any judgment shall be made in such proceedings in favour of or against the limited liability partnership only in the name of the limited liability partnership.
- (2) Subject to subsection (3), no judgment shall be enforced against any limited liability partnership property unless such judgment has been granted against the limited liability partnership.
- (3) Subsection (2) shall not affect any right of a judgment creditor of a partner in a limited liability partnership to enforcement against any proceeds representing a payment or other distribution in respect of that partner’s partnership interest in the limited liability partnership property and any sum due to the partner from the limited liability partnership by way of repayment of a loan.

- (4) Execution to enforce a judgment obtained against a limited liability partnership pursuant to subsection (1) or against the person responsible for winding up the affairs of the limited liability partnership pursuant to Part 5 shall only be capable of being issued against and satisfied out of the limited liability partnership property as at the date of such execution (no account being taken of any changes in the partners composing the limited liability partnership prior to such date).
- (5) Any person shall have the right to join or otherwise institute proceedings against —
  - (a) one or more of the partners and any former partner of a limited liability partnership who is liable by virtue of section 7(2) or (3); and
  - (b) any person holding limited liability partnership property on behalf of a limited liability partnership for the purposes of enforcement against that property.

### **Service of documents**

**42.** For the purposes of this Act —

- (a) any writ, notice, order or other document required to be served on a limited liability partnership may be served by leaving the same, or by sending the writ, notice, order or other document required to be served through the post in a prepaid letter, addressed to the limited liability partnership at the limited liability partnership's registered office; and
- (b) any writ, notice, order or other document required to be served on a partner in the partner's capacity as such may be served by leaving the same, or by sending the writ, notice, order or other document required to be served through the post in a prepaid letter, addressed to the partner at the registered office of the limited liability partnership or at the address stated for the partner in the registration statement.

### **Notices to Registrar**

**43.** Any registration statement, annual return, notice or information required by this Act to be made, given or supplied to the Registrar shall be signed by, or on behalf of, a managing partner or any other partner of the limited liability partnership.

### **Appointment and functions of Registrar**

- 44.** (1) The Registrar of Companies appointed under the *Companies Act (2021 Revision)* shall be the Registrar of Limited Liability Partnerships.
- (2) The Registrar shall maintain a register of each limited liability partnership registered under this Act and include in such register all registration statements delivered to the Registrar and any certificates issued by the Registrar in relation to each limited liability partnership pursuant to this Act.



- (3) Any certificate issued by the Registrar under this Act shall be signed by the Registrar and sealed with the Registrar's seal of office.

### **Registrar to provide information**

- 44A.**(1) The Registrar shall, upon request in writing by an entity under subsection (2), provide any information required to discharge any function or exercise any power, under the following Acts —
- (a) the *Anti-Corruption Act (2019 Revision)*;
  - (b) the *Monetary Authority Act (2020 Revision)*;
  - (c) the *Proceeds of Crime Act (2020 Revision)*; or
  - (d) the *Tax Information Authority Act (2021 Revision)*.
- (2) For the purposes of subsection (1), the following entities may request information from the Registrar —
- (a) the Anti-Corruption Commission established under section 3 of the *Anti-Corruption Act (2019 Revision)*;
  - (b) the Cayman Islands Monetary Authority established under section 5 of the *Monetary Authority Act (2020 Revision)*;
  - (c) the Financial Crimes Unit of the Royal Cayman Islands Police Service;
  - (d) the Financial Reporting Authority as defined under section 2 of the *Proceeds of Crime Act (2020 Revision)*;
  - (e) the Tax Information Authority designated under section 4 of the *Tax Information Authority Act (2021 Revision)*; or
  - (f) a competent authority as defined under section 2(1) of the *Proceeds of Crime Act (2020 Revision)*, which is assigned responsibility for monitoring compliance with the money laundering regulations under section 4(9) of the *Proceeds of Crime Act (2020 Revision)*.
- (3) Where a request for information is made under subsection (1), the information shall be provided within forty-eight hours of receipt of the request.
- (4) The recipient of any information provided by the Registrar under this section shall —
- (a) use the information for the purpose for which it was provided;
  - (b) retain the information for as long as is necessary to carry out the purpose for which it was provided; and
  - (c) not disclose the information for any purpose other than the purpose for which it was provided, without the consent of the Registrar.

### Certificate of good standing

45. (1) The Registrar may on application made by a limited liability partnership issue a certificate of good standing to the limited liability partnership that is in good standing in accordance with subsections (2) and (3).
- (2) A certificate of good standing is evidence of the fact that the limited liability partnership is in good standing on the date that the certificate of good standing is issued.
- (3) A limited liability partnership is considered to be in good standing if all fees and penalties under this Act have been paid and the Registrar has no knowledge that the limited liability partnership is in default under this Act.

### Recovery of penalties

46. (1) Notwithstanding any provision of this Act which prescribes a specific *per diem* penalty in respect of a default of any obligation to make a filing or to maintain a record set out in this Act, it shall be lawful for the Registrar, in any case where the aggregate *per diem* penalty has exceeded the amount of five hundred dollars and the Registrar is satisfied that the failure is not due to a wilful default, to accept at any time payment of a penalty in the amount of five hundred dollars in lieu thereof.
- (2) Without prejudice to the powers exercisable by the Registrar under this Act, all sums that the Registrar is entitled to recover by way of fees or penalties are recoverable either summarily as a civil debt, or as a simple contract debt, in any court of competent jurisdiction.

### Offences

47. (1) A person who wilfully makes a statement in a document, material, evidence or information which is required to be delivered to the Registrar under this Act that, at the time and in the light of the circumstances under which the statement is made, is false or misleading with respect to any material fact, or that wilfully omits to state any material fact the omission of which makes the statement false or misleading, commits an offence and is liable on summary conviction to a fine of one thousand dollars or imprisonment for three months, or to both.
- (2) A person who makes a false declaration under this Act commits an offence and is liable on summary conviction to a fine of one thousand dollars or to imprisonment for a term of three months, or to both.
- (3) Where an offence under this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, manager, secretary, or other similar officer of the body corporate, or any person purporting to act in any such capacity, the director, manager, secretary, or other similar officer of the body



corporate, as well as the body corporate, shall be guilty of the same offence and liable in the same manner to the penalty provided for that offence.

### **General penalty for offences**

- 48.** Where a duty is imposed by this Act on any limited liability partnership, managing or other partner or any other person and no special penalty or fine has been provided for breach of such duty, then any such limited liability partnership, managing or other partner or any other person guilty of such breach commits an offence and is liable on summary conviction to a fine of one hundred dollars.

### **Tax undertaking**

- 49.** (1) The Financial Secretary may, on application by a limited liability partnership accompanied by a declaration by the limited liability partnership that such limited liability partnership shall not undertake business with the public in the Islands other than so far as may be necessary for the carrying on of the business of that limited liability partnership exterior to the Islands, give an undertaking in respect of that limited liability partnership that a law which is hereafter enacted in the Islands imposing any tax to be levied on profits or income or gains or appreciations shall not apply to such limited liability partnership or to any partner thereof in respect of the operations or assets of such limited liability partnership or the partnership interest of a partner.
- (2) Any undertaking given under subsection (1) may provide, in addition, that the taxes and any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the limited liability partnership or the partnership interests of the partners.
- (3) Any such undertaking may be for a period not exceeding fifty years from the date of the approval of the application and may be in such form as the Financial Secretary shall determine.
- (4) The Financial Secretary shall prepare and present to the Cabinet, a report of all applications made and granted pursuant to this section on a monthly basis.
- (5) The first report due to be prepared pursuant to subsection (4) shall be presented to the Cabinet on the date specified by the Cabinet by Order.

### **Regulations**

- 50.** (1) The Cabinet may make regulations prescribing any matter referred to in this Act to be prescribed by Regulations and for carrying this Act into effect.
- (2) Notwithstanding the generality of subsection (1) the Cabinet may make Regulations in particular, prescribing —
- (a) the duties to be performed by the Registrar for the purposes of this Act;
  - (b) the forms to be used for the purposes of this Act;

- (c) the fees payable to the Registrar in respect of filings or certifications or otherwise pursuant to this Act;
- (d) the fee payable for the issue of a tax undertaking pursuant to section 49; and
- (e) generally, the conduct and regulation of registration under this Act and any matters incidental thereto.

## PART 8 - BENEFICIAL OWNERSHIP REGISTERS

### Interpretation

51. (1) In this part —

“**beneficial owner**”, in relation to a limited liability partnership, has the meaning assigned by sections 54(3), (4) and (5);

“**beneficial ownership register**” means a register of adequate, accurate and current beneficial ownership information maintained by a limited liability partnership pursuant to section 59, containing the required particulars of registrable persons in relation to the limited liability partnership;

“**competent authority**” means the Minister referred to in section 246(1) of the *Companies Act (2021 Revision)* or the person designated by the Minister under that section;

“**corporate services provider**” means an individual or legal entity that provides corporate services under the *Companies Management Act (2021 Revision)*, the *Banks and Trust Companies Act (2021 Revision)*, the *Insurance Act, 2010 [Law 32 of 2010]* or any other regulatory law pursuant to which the individual or legal entity is licensed or permitted to provide registered office services;

“**individual**” means a natural person;

“**legal entity**” means a company, limited liability company, limited liability partnership or other body that is a legal person under the law by which it is governed;

“**prescribed**” means prescribed by regulations made under section 87;

“**registrable person**” means an individual or relevant legal entity that is a registrable person under section 58;

“**regulatory law**” means a law defined as such in section 2 of the *Monetary Authority Act (2020 Revision)*, other than the *Directors Registration and Licensing Act, 2014 [Law 10 of 2014]*;

“**relevant interest**” means an interest that a person holds in a limited liability partnership consisting of —

- (a) a partnership interest; or



(b) the right to appoint or remove a majority of the managing partners of the limited liability partnership;

“**relevant legal entity**”, in relation to a limited liability partnership, has the meaning assigned by section 55(3);

“**required particulars**” means particulars in respect of a registrable person required to be kept in a limited liability partnership’s beneficial ownership register pursuant to sections 60 and 61;

“**restrictions notice**” means a notice issued under section 72; and

“**specified conditions**” means the conditions specified in sections 54(3), (4) and (5).

- (2) This Part is to be read and have effect as if each of the following were an individual, even if they are legal persons under the laws by which they are governed —
- (a) a corporation sole;
  - (b) a government or government department of a country or territory or a part of a country or territory;
  - (c) an international organisation whose members include two or more countries or territories (or their governments); and
  - (d) a local authority or local government body.

## Application

- 52.** (1) This Part applies in respect of limited liability partnerships formed and registered, except a legal entity or subsidiary of one or more legal entities, each of which is —
- (a) listed on the Cayman Islands Stock Exchange or an approved stock exchange in Schedule 4 of the *Companies Act (2021 Revision)*;
  - (b) **repealed** by section 11(a)(i) of the *Limited Liability Partnership (Amendment) (No. 2) Act, 2020 [Law 52 of 2020]*.
  - (c) managed, arranged, administered, operated or promoted by an approved person as a special purpose vehicle, private equity fund, collective investment scheme or investment fund, including where the vehicle, fund or scheme is a Cayman Islands exempted limited partnership;
  - (d) regulated in an equivalent legislation jurisdiction that is designated as having measures for combating money laundering and the financing of terrorism which are equivalent to that of the Islands in accordance with section 5(2)(a) of the *Proceeds of Crime Act (2020 Revision)*;
  - (e) a general partner of a vehicle, fund or scheme referred to in paragraph (c) which vehicle, fund or scheme —
    - (i) is registered or holds a licence under a regulatory law; or

- (ii) is managed, arranged, administered, operated or promoted by an approved person;
  - (f) holding directly a legal or beneficial interest in the shares of a legal entity which holds a licence under the *Banks and Trust Companies Act (2021 Revision)*, the *Companies Management Act (2021 Revision)*, the *Insurance Act, 2010 [Law 32 of 2010]*, Part III of the *Mutual Funds Act (2021 Revision)* or the *Securities Investment Business Act (2020 Revision)*; or
  - (g) exempted by the Regulations.
- (2) For the avoidance of doubt, a legal entity shall not be considered —
- (a) to be operated or managed by an approved person solely as a consequence of the entity having appointed an individual who is an employee of a legal entity which holds a licence under a regulatory law as a director or managing partner; or
  - (b) to be managed, arranged, administered, operated or promoted by an approved person solely as a consequence of the entity having appointed an approved person to provide its registered office in the Cayman Islands.
- (3) In this section, “**approved person**” means a person or a subsidiary of a person that is —
- (a) regulated, registered or holding a licence in the Islands under a regulatory law;
  - (b) regulated in an equivalent legislation jurisdiction that is designated as having measures for combating money laundering and the financing of terrorism which are equivalent to those of the Islands in accordance with section 5(2)(a) of the *Proceeds of Crime Act (2020 Revision)*; or
  - (c) listed on the Cayman Islands Stock Exchange or an approved stock exchange in Schedule 4 of the *Companies Act (2021 Revision)*.
- (4) For the purposes of this section, a limited liability partnership (“S”) is a subsidiary of one or more legal entities described in subsection (1) if —
- (a) such legal entities, separately or collectively, hold seventy-five per cent or more of the partnership interests with respect to profit sharing or voting rights in S or distributions of capital from S;
  - (b) each such legal entity is a partner of S and, separately or collectively, such legal entities have the right to appoint or remove a majority of its managing partners; or
  - (c) it is a subsidiary of one or more legal entities each of which is itself a subsidiary of one or more legal entities described in subsection (1).



**Competent Authority**

53. The competent authority may do all things necessary or convenient to be done in the performance of the competent authority's functions under this Part, including executing requests by senior officials referred to in section 69(1) to search for information concerning the beneficial ownership of limited liability partnerships registered in the Islands.

***Identifying Beneficial Owners, Relevant Legal Entities and Registrable Persons*****Duty of limited liability partnership to identify beneficial owners**

54. (1) Limited liability partnerships to which this Part applies shall take reasonable steps to identify any individual who is a beneficial owner of the limited liability partnership.
- (2) For the purpose of identifying individuals who are beneficial owners under subsection (1), a limited liability partnership is entitled to rely, without further enquiry, on the response of a person to a notice in writing sent in good faith by the limited liability partnership, unless it has reason to believe that the response is misleading or false.
- (3) An individual ("X") is a beneficial owner of a limited liability partnership ("Y") if the individual meets one or more of the following conditions in relation to the limited liability partnership –
- (a) X must hold, directly or indirectly, a partnership interest in Y representing a right to share in more than 25 percent of any surplus limited liability partnership property of Y on a winding up of Y;
- (b) X must hold, directly or indirectly, a partnership interest in Y representing more than 25 percent of the rights to vote on those matters that are to be decided by a vote at meetings of the partners of Y; or
- (c) X must hold the right, directly or indirectly, to appoint or remove a majority of the managing partners of Y or those persons who hold a majority of the voting rights at meetings of the partners.
- (4) If no individual meets the conditions in subsection (3), X is a beneficial owner of limited liability partnership Y if X has the absolute and unconditional legal right to exercise, or actually exercises, significant influence or control over Y through the interests described in subsection (3) other than where that influence or control is solely in the capacity of a professional advisor or professional manager.
- (5) If no individual meets the conditions in subsections (3) and (4) but the trustees of a trust (or the members of a partnership or other entity that under the law by which it is governed is not a legal person) meet one of those conditions in

relation to limited liability partnership Y in their capacity as such, X is a beneficial owner of Y if X has the absolute and unconditional legal right to exercise, or actually exercises, significant influence or control over the activities of that trust (or partnership or other entity) other than where that influence or control is solely in the capacity of a professional advisor or professional manager.

### **Duty of limited liability partnerships to identify relevant legal entities**

- 55.** (1) A limited liability partnership to which this Part applies shall take reasonable steps to identify all relevant legal entities that exist in relation to the limited liability partnership.
- (2) For the purpose of identifying relevant legal entities under subsection (1), a limited liability partnership is entitled to rely, without further enquiry, on the response of a legal entity to a notice in writing sent in good faith by the limited liability partnership, unless it has reason to believe that the response is misleading or false.
- (3) A “**relevant legal entity**”, in relation to a limited liability partnership, is a legal entity that —
- (a) is incorporated, formed or registered (including by way of continuation or as a foreign company) in the Islands under the laws of the Islands; and
  - (b) would be a beneficial owner of the limited liability partnership if it were an individual.

### **Duty of limited liability partnerships to give notice to registrable persons**

- 56.** (1) Subject to subsection (5), a limited liability partnership to which this Part applies shall give notice in writing to beneficial owners and relevant legal entities identified by the limited liability partnership under sections 54 and 55 and to any person that it knows or has reasonable cause to believe is a registrable person in relation to it.
- (2) The notice shall require the persons to whom it is addressed, within one month of the date of receipt of the notice —
- (a) to state whether or not they are registrable persons, within the meaning of this Part; and
  - (b) if they are registrable persons, to confirm or correct any required particulars that are included in the notice and supply any required particulars that are missing from the notice.
- (3) A limited liability partnership may also give notice in writing to a partner or a legal entity that it knows or has reasonable cause to believe is a relevant legal entity in relation to that limited liability partnership (or would be a relevant legal entity if it were registered under this Act), if the limited liability partnership



knows or has reasonable cause to believe that such partner or legal entity knows the identity of a registrable person.

- (4) A notice under subsection (3) may require the persons to whom it is addressed —
  - (a) to state whether or not they know the identity of a registrable person or any person likely to have that knowledge; and
  - (b) to supply, within one month of receipt of the notice and at the expense of the limited liability partnership, any required particulars respecting such registrable persons that are within the addressee's knowledge and to state whether the particulars are being supplied with or without the knowledge of the person concerned.
- (5) A limited liability partnership is not required to give a notice to an individual or a relevant legal entity if —
  - (a) the limited liability partnership knows that the individual or entity is not a registrable person; or
  - (b) the limited liability partnership has already been informed of the person's status as a registrable person in relation to it, and has received all the required particulars.
- (6) A person to whom a notice under this section is given is not required by that notice to disclose any information —
  - (a) in respect of which a claim to legal professional privilege could be maintained in legal proceedings; or
  - (b) that the person is prohibited by any law applicable in the Islands from disclosing.

### **Duty of beneficial owners and relevant legal entities to supply information**

- 57.** (1) This section applies to a person if —
- (a) the person is a registrable person in respect of a limited liability partnership to which this Part applies;
  - (b) the person knows the facts referred to in paragraph (a);
  - (c) the person has no reason to believe that the person's required particulars are stated in the limited liability partnership's beneficial ownership register;
  - (d) the person has not received a notice from the limited liability partnership under section 56; and
  - (e) the circumstances described in paragraphs (a), (b), (c) and (d) have continued for a period of at least one month.
- (2) The person shall —

- (a) notify the limited liability partnership of the person's status as a registrable person in relation to the limited liability partnership;
  - (b) state the date, to the best of the person's knowledge, on which the person acquired that status; and
  - (c) give the limited liability partnership the required particulars.
- (3) The duty under subsection (2) must be complied with by the end of the period of one month beginning with the day on which the conditions in subsections (1)(a), (b) and (c) were first met with respect to the person.

### **Individuals and relevant legal entities that are registrable persons**

- 58.** (1) The following are registrable persons in relation to a limited liability partnership —
- (a) an individual whom the limited liability partnership identifies pursuant to section 54 as a beneficial owner; and
  - (b) a relevant legal entity identified by the limited liability partnership pursuant to section 55 —
    - (i) that directly holds a partnership interest or meets one or more of the specified conditions directly in respect of the limited liability partnership; and
    - (ii) through which any beneficial owner or relevant legal entity indirectly owns a partnership interest.
- (2) Whether a person holds a partnership interest in a limited liability partnership or meets a specified condition in relation to it directly or indirectly shall be determined in the manner prescribed.

### ***Establishing Beneficial Ownership Registers***

#### **Duty to establish and maintain, beneficial ownership register**

- 59.** A limited liability partnership to which this Part applies shall keep its beneficial ownership register at the limited liability partnership's registered office.

#### **Role of corporate services provider and Registrar**

- 60.** (1) A limited liability partnership to which this Part applies shall provide in writing to the corporate services provider or the Registrar, as the case may be, the required particulars of registrable persons in respect of that limited liability partnership, once those particulars have been confirmed.
- (2) A limited liability partnership that is exempt from the application of this Part shall, in the prescribed manner, provide to the corporate services provider or the Registrar, as the case may be —



- (a) written confirmation of the exemption —
  - (i) identifying the paragraph under section 52(1) that provides for the exemption; and
  - (ii) including the prescribed information about the regulated legal entity, regulated parent entity or approved person referred to in that paragraph; and
- (b) instructions to file the written confirmation with the competent authority.
- (3) The limited liability partnership referred to in subsection (1) shall instruct the corporate services provider or the Registrar, as the case may be, to enter the required particulars of registrable persons in the limited liability partnership's beneficial ownership register in the prescribed form and manner, or if no registrable persons are identified, to enter a nil return.
- (4) It is not required for particulars to be entered in the register concerning an individual or relevant legal entity that is not a registrable person.
- (5) For the purposes of this section, particulars are considered to have been confirmed if —
  - (a) the limited liability partnership has reasonable grounds to believe that they were supplied or confirmed by the individual or entity to whom the particulars relate;
  - (b) another person supplied or confirmed them to the limited liability partnership, and the limited liability partnership has reasonable grounds to believe that this was done with the knowledge of the individual or entity to whom the particulars relate; or
  - (c) the particulars were included in a statement referred to in section 18 and delivered to the Registrar by persons wishing to form the limited liability partnership.

### Required particulars

- 61.** (1) The required particulars of an individual are —
- (a) full legal name;
  - (b) residential address and, if different, an address for service of notices under this Act;
  - (c) date of birth;
  - (d) information identifying the individual from the individual's passport, driver's licence or other government-issued document, including —
    - (i) identifying number;
    - (ii) country of issue; and
    - (iii) date of issue and of expiry; and

- (e) the date on which the individual became or ceased to be a registrable person in relation to the limited liability partnership in question.
- (2) In the case of a person in relation to whom this Part has effect by virtue of section 51(2), the required particulars are —
- (a) name;
  - (b) principal office;
  - (c) the legal form of the person and the law by which the person is governed; and
  - (d) the date on which the person became or ceased to be a registrable person in relation to the legal entity in question.
- (3) The required particulars of a relevant legal entity are —
- (a) corporate or firm name;
  - (b) registered or principal office;
  - (c) the legal form of the entity and the law by which it is governed;
  - (d) if applicable, the register of companies or limited liability companies in which it is entered and its registration number in that register; and
  - (e) the date on which it became or ceased to be a registrable person in relation to the limited liability partnership in question.

### **Duty of limited liability partnership to keep register up to date**

- 62.** (1) If a limited liability partnership to which this Part applies becomes aware of a relevant change with respect to a registrable person whose required particulars are stated in its beneficial ownership register, the limited liability partnership shall give notice to the registrable person, as soon as reasonably practicable after it learns of the change or first has reasonable cause to believe that the change has occurred, requesting confirmation of the change.
- (2) If the person to which a notice is sent under subsection (1) confirms the relevant change, the limited liability partnership shall record the details of the change and instruct the corporate services provider or the Registrar, as the case may be, to enter in the limited liability partnership's beneficial ownership register in the prescribed form and manner —
- (a) the details of the relevant change confirmed by the limited liability partnership;
  - (b) the date on which the change was made; and
  - (c) whether there are further alterations to be made.
- (3) For the purposes of this section, a relevant change occurs if —
- (a) the registrable person ceases to be a registrable person in relation to the limited liability partnership; or



- (b) any other change occurs as a result of which the required particulars stated respecting the registrable person in the limited liability partnership's beneficial ownership register are materially incorrect or incomplete.
- (4) A relevant change with respect to a registrable person is considered to have been confirmed if —
  - (a) the limited liability partnership has given notice to the registrable person requesting confirmation, within the period of one month from the date of the notice, of the relevant change, the date of the change and the required particulars included in the notice; and
  - (b) the details, date and required particulars of the change have been supplied or confirmed to the limited liability partnership by the registrable person or by another person with the knowledge of the registrable person.

### **Consequences of failure to disclose beneficial ownership**

- 63.** (1) If a limited liability partnership's corporate services provider or the Registrar, as the case may be, is of the opinion that a limited liability partnership has failed to comply with section 60 or 62 without reasonable excuse or has made a statement to either of them that is false, deceptive or misleading in respect of a material particular, the limited liability partnership's corporate services provider or the Registrar, as the case may be, shall give notice of the opinion to the limited liability partnership.
- (2) On receipt of a notice under subsection (1), the limited liability partnership shall provide its corporate services provider or the Registrar, as the case may be, with —
- (a) the missing particulars required under section 60 or 62 pertaining to registrable persons; and
  - (b) a justification or correction respecting any statement identified in the notice.
- (3) If the notified limited liability partnership fails, due to the failure of a registrable person to comply with the obligations under this Act, to provide the missing particulars referred to in subsection (2)(a) within one month of receipt of the notice, the limited liability partnership's corporate services provider shall —
- (a) subject to section 72, issue a restrictions notice to the registrable persons whose particulars are missing with regard to the partnership interest or other relevant interest of such registrable persons in the limited liability partnership; and
  - (b) send a copy of the notice to the competent authority within two weeks of issuing it.
- (4) A person to whom a restrictions notice is issued under this section may apply to the Court to set aside any restriction or cancellation imposed by the notice.

**Duty of other persons to update register**

- 64.** (1) This section applies to persons if —
- (a) they have stated that they are registrable persons, within the meaning of this Part, in response to a notice received under section 56 or they have reason to believe that their required particulars are stated in a limited liability partnership's beneficial ownership register;
  - (b) a relevant change, within the meaning of section 62(3), occurs with respect to the person;
  - (c) they know of the change;
  - (d) they have no knowledge that the beneficial ownership register has been altered to reflect the change; and
  - (e) they have not received a notice from the limited liability partnership under section 62 by the end of the period of one month beginning with the day on which the change occurred.
- (2) A person to which this section applies shall —
- (a) notify the limited liability partnership of the relevant change;
  - (b) state the date on which the relevant change occurred; and
  - (c) give the limited liability partnership any information needed to update the limited liability partnership's beneficial ownership register.
- (3) The duty under subsection (2) shall be complied with by the end of the period of one month beginning with the day on which the person discovered the relevant change.

**Removal of entries from limited liability partnership's beneficial ownership register**

- 65.** A limited liability partnership may cause an entry relating to a person that is no longer a registrable person to be removed from its beneficial ownership register on the expiration of five years from the date on which the person ceased to be a registrable person in relation to the limited liability partnership.

**Power of Court to rectify beneficial ownership register**

- 66.** (1) If —
- (a) the name of any individual or relevant legal entity is, without sufficient cause, entered in or omitted from a limited liability partnership's beneficial ownership register as a registrable person; or
  - (b) default is made or unnecessary delay takes place in entering on a limited liability partnership's beneficial ownership register the fact that the individual or relevant legal entity has ceased to be a registrable person, the person aggrieved, or any individual or relevant legal entity that is a



registrable person in relation to the limited liability partnership, may apply to the Court for rectification of the limited liability partnership's beneficial ownership register.

- (2) The Court may —
  - (a) refuse the application; or
  - (b) order rectification of the beneficial ownership register and payment by the limited liability partnership of any damages sustained by any person aggrieved.
- (3) On an application under this section, the Grand Court may decide any question —
  - (a) as to whether the name of any person who is a party to the application should or should not be entered in or omitted from the limited liability partnership's beneficial ownership register; and
  - (b) that is necessary or expedient to be decided for rectification of the limited liability partnership's beneficial ownership register.
- (4) If the Court makes an order for rectification of a limited liability partnership's beneficial ownership register against the limited liability partnership, it shall direct notice of the rectification to be given to the competent authority.

### ***Access to Beneficial Ownership Information***

#### **Duty of competent authority to establish search platform**

- 67.** (1) The competent authority shall establish a search platform by means of which access may be provided to information on all beneficial ownership registers maintained by corporate services providers or the Registrar on behalf of limited liability partnerships subject to this Part.
- (2) The search platform must —
- (a) be secure and accessible only by the competent authority;
  - (b) be able to search all limited liability partnership beneficial ownership information provided to the competent authority by corporate services providers or the Registrar by the name of an individual, legal entity or limited liability partnership; and
  - (c) prevent communication to any person of the fact that a search is being made or has taken place, except where the competent authority expressly discloses such communication.

### **Duties of the Registrar and corporate services providers**

- 68.** (1) A corporate services provider engaged by a limited liability partnership pursuant to section 59, or the Registrar if so engaged, shall offer the limited liability partnership an information technology solution, either directly or through another corporate services provider, that enables the corporate services provider or the Registrar, as the case may be —
- (a) to establish and maintain the limited liability partnership’s beneficial ownership register on behalf of the limited liability partnership; and
  - (b) to provide information on the beneficial ownership register to the competent authority by means of the search platform established by the competent authority pursuant to section 67.
- (2) The corporate services provider shall regularly deposit beneficial ownership information received from limited liability partnerships that have engaged the corporate services provider in such place, in such manner and at such intervals as may be prescribed.
- (3) If there is default in complying with subsection (2), the corporate services provider and any officer of the corporate services provider who is in default —
- (a) shall incur a penalty of five hundred dollars; and
  - (b) shall incur an additional penalty of one thousand dollars and a further penalty of one hundred dollars for every day during which the default continues if the competent authority is satisfied that the default was knowingly or wilfully authorised or permitted.

### **Limits on searches that may be executed**

- 69.** (1) The competent authority shall execute a search of a limited liability partnership’s beneficial ownership register by means of the search platform, within forty-eight hours of receipt of a request, if formally requested to do so —
- (a) by a senior official referred to in section 262(1) of the *Companies Act (2021 Revision)*; or
  - (b) by the Financial Crimes Unit of the Royal Cayman Islands Police Service, provided that a senior official of the Unit certifies that the request meets the conditions referred to in section 262(3) of the *Companies Act (2021 Revision)*.
- (2) No person shall use the search platform to search a limited liability partnership’s beneficial ownership register except the competent authority;
- (3) The competent authority may execute a search of the beneficial ownership register of a limited liability partnership in accordance with this Part for the purpose of verifying the accuracy of the information provided by the limited liability partnership.



**Disclosure of beneficial ownership information by the Cayman Islands Monetary Authority**

- 70.** (1) The Cayman Islands Monetary Authority may, on request by the competent authority, disclose any information in its possession respecting —
- (a) a limited liability partnership; or
  - (b) a subsidiary of such a limited liability partnership registered or holding a licence under a regulatory law, that the limited liability partnership would be required to provide under this Part as required particulars if this Part applied to it.
- (2) For greater certainty, section 50(1) of the *Monetary Authority Act (2020 Revision)* does not apply to a disclosure made under this section.

**Non-disclosure of information concerning requests for beneficial ownership information**

- 71.** (1) Neither the competent authority nor any employee, servant or agent of the competent authority shall disclose any information relating to a request for beneficial ownership information referred to in section 69, including the fact that such a request was made or that a search was carried out, to any person other than the authorised personnel of the competent authority or the law enforcement agency that requested the search.
- (2) Information maintained by corporate services providers and the Registrar in respect of beneficial ownership of a limited liability partnership is deemed to be confidential information under *the Confidential Information Disclosure Act, 2016 [Law 23 of 2016]*.
- (3) Subject to sections 18 and 19 of the *Tax Information Act (2021 Revision)*, information deemed to be confidential under subsection (2) shall only be disclosed in accordance with the *Confidential Information Disclosure Act, 2016 [Law 23 of 2016]*.

**Request for additional information**

- 71A.**(1) The competent authority may request by notice in writing, additional information from a limited liability partnership or corporate services provider for the purposes of carrying out its functions under this Part.
- (2) A limited liability partnership or corporate services provider which receives a notice under subsection (1) shall comply with the notice within the period and in the manner specified in the notice.
- (3) If there is a default in complying with subsection (2), the limited liability partnership or corporate services provider which is in default —
- (a) shall incur a penalty of five hundred dollars; and

- (b) if the competent authority is satisfied that the default was knowingly and wilfully authorised or permitted, shall incur, in addition to the penalty under paragraph (a) —
  - (i) a penalty of one thousand dollars; and
  - (ii) a further penalty of one hundred dollars for every day during which the default continues.

### ***Enforcement***

#### **Right to issue restrictions notice**

- 72.** (1) A corporate services provider for a limited liability partnership to which this Part applies may send a restrictions notice to a person who has a relevant interest in that limited liability partnership if —
- (a) a notice under section 56 or 62 was served on the person;
  - (b) the person has not, by the end of the period of one month beginning with the date of receipt of the notice —
    - (i) complied with the notice; or
    - (ii) provided the corporate services provider for a limited liability partnership with a valid reason sufficient to justify the person's failure to comply with the notice; and
  - (c) the relevant interest is not subject to a security interest granted to a third party who is not affiliated with the person.
- (2) In deciding whether to send a restrictions notice, the corporate services provider for a limited liability partnership shall have regard to the effect of the notice on the rights of persons in respect of the relevant interest, including third parties, persons with a security interest over the relevant interest, other holders of a partnership interest and other beneficial owners.

#### **Effect of restrictions notice**

- 73.** (1) The effect of a restrictions notice with respect to a relevant interest is as follows —
- (a) any transfer or agreement to transfer the interest is void;
  - (b) no rights are exercisable in respect of the interest;
  - (c) no additional rights may be granted in respect of the interest or in pursuance of an offer made to the interest-holder;
  - (d) except in a liquidation, no payment may be made of sums due from the limited liability partnership in respect of the interest, whether in respect of capital or otherwise; and



- (e) other than in a liquidation, an agreement to transfer any of the following associated rights in relation to the relevant interest is void —
  - (i) a right to be granted additional rights in respect of the relevant interest; or
  - (ii) a right to receive payment of any sums due from the limited liability partnership in respect of the relevant interest.
- (2) This section does not apply to an agreement to transfer a relevant interest referred to in subsection (1)(a) or to an associated right referred to in subsection (1)(e), if the agreement results from the making of an order referred to in section 77(2)(b).

### **Protection of third party rights**

- 74.** (1) The Court may, on application by any person aggrieved, give a direction for the purpose of protecting the rights of third parties, persons with a security interest over the relevant interest, holders of a partnership interest or other beneficial owners in respect of a relevant interest, if the Court is satisfied that a restrictions notice unfairly affects those rights.
- (2) An order under this section —
- (a) shall direct, subject to such terms as the Court thinks fit, that certain acts will not constitute a breach of the restrictions placed on the relevant interest by the restrictions notice;
  - (b) shall specify the acts that will not constitute a breach of the restrictions; and
  - (c) may confine the direction to cases where those acts are done by persons, or for purposes, described in the order.

### **Breach of restrictions an offence**

- 75.** (1) A person commits an offence who, knowing that a relevant interest is subject to restrictions —
- (a) exercises or purports to exercise any right to dispose of the relevant interest;
  - (b) exercises or purports to exercise any right to dispose of any right to be issued with the relevant interest; or
  - (c) votes in respect of the relevant interest (whether as holder of the interest or as proxy) or appoints a proxy to vote in respect of the relevant interest.
- (2) A person who has a relevant interest that the person knows to be subject to restrictions commits an offence if the person —
- (a) knows a person to be entitled (apart from the restrictions) to vote in respect of the interest, whether as holder or as proxy;

- (b) does not know the person to be aware of the fact that the interest is subject to restrictions; and
  - (c) fails to notify the person of the fact referred to in paragraph (b).
- (3) A person commits an offence if the person —
- (a) has a relevant interest that the person knows to be subject to restrictions or is entitled to an associated right; and
  - (b) enters into an agreement that is void by virtue of section 73(1)(a) or (e).
- (4) A person who commits an offence under this section is liable on summary conviction to a fine of five thousand dollars.
- (5) No person commits an offence who contravenes subsections (1) to (3) in furtherance of compliance with a direction of the Court given under section 74 or 76.

### **Offence: issuing partnership interests contrary to restriction**

- 76.** Subject to a direction given under section 74 or 75, a limited liability partnership that issues partnership interests in contravention of a restriction imposed by virtue of a restrictions notice commits an offence and is liable on summary conviction to a fine of five thousand dollars.

### **Relaxation of restrictions**

- 77.** (1) A limited liability partnership's corporate services provider that issues a restrictions notice, or any person aggrieved by such notice, may apply to the Court for an order directing that the relevant interest cease to be subject to restrictions.
- (2) The Court may only make an order under this section if —
- (a) the Court is satisfied that the information required by the notice served under section 56 or 64 has been disclosed to the limited liability partnership and no unfair advantage has accrued to any person as a result of the earlier failure to make that disclosure; or
  - (b) the relevant interest is to be transferred for valuable consideration and the Court approves the transfer.
- (3) An order made by virtue of subsection (2)(b) may continue, in whole or in part, the restrictions mentioned in section 73(1)(c) and (d) so far as they relate to a right acquired or offer made before the transfer.
- (4) Where any restrictions continue in force by virtue of subsection (3) —
- (a) an application may be made under this section for an order directing that the relevant interest cease to be subject to those restrictions; and
  - (b) subsection (2) does not apply in relation to the making of such an order.



**Orders for sale**

- 78.** (1) On application by a corporate services provider for a limited liability partnership that issues a restrictions notice, the Court may order that the relevant interest subject to restrictions be sold, provided that the Court approves the sale.
- (2) A Court that makes an order under subsection (1) may make such further order relating to the sale or transfer of the interest as it thinks fit on application by —
- (a) the corporate services provider for a limited liability partnership that issued the restrictions notice;
  - (b) the person appointed in pursuance of the order to effect the sale; or
  - (c) any person with an interest in the relevant interest.
- (3) On making an order under subsection (1) or (2), the Court may order that the applicant's costs be paid from the proceeds of sale.

**Proceeds of sale of relevant interest**

- 79.** (1) If a relevant interest is sold pursuant to an order under section 77, the proceeds of the sale, less the costs of the sale, must be paid into the Court for the benefit of persons who are beneficially interested in the relevant interest.
- (2) A person who is beneficially interested in the relevant interest may apply to the Court for the whole or part of those proceeds to be paid to that person.
- (3) On an application under subsection (2), the Court shall order the payment to the applicant of —
- (a) the whole of the proceeds of sale together with any interest on the proceeds; or
  - (b) if another person was also beneficially interested in the relevant interest at the time of the sale, such proportion of the proceeds (and any interest) as the value of the applicant's interest bears to the total value of the relevant interest.
- (4) Where the Court has ordered under section 77(3) that the costs of an applicant be paid from the proceeds of sale, the applicant is entitled to payment of those costs before any person receives any part of the proceeds under this section.

**Limited liability partnership may withdraw restrictions notice**

- 80.** A corporate services provider for a limited liability partnership that issues a restrictions notice to a person shall by notice withdraw the restrictions notice if —
- (a) it is satisfied that there is a valid reason sufficient to justify the person's failure to comply with the notice served under section 56 or 62;
  - (b) the notice served under section 56 or 62 is complied with; or

- (c) the corporate services provider for a limited liability partnership discovers that the rights of a third party in respect of the relevant interest are being unfairly affected by the restrictions notice.

### **Offences**

#### **Failure of a limited liability partnership to establish or maintain beneficial ownership register**

- 81.** (1) A limited liability partnership that knowingly and wilfully contravenes section 54(1), 55(1), 59, 60(1) or (2) or 62(2) or knowingly and wilfully fails to issue a notice as required by section 56, 62, or 63(3) commits an offence and is liable on summary conviction for each such contravention —
- (a) in the case of a first offence, to a fine of twenty-five thousand dollars; or
  - (b) in the case of a second or subsequent offence, to a fine of one hundred thousand dollars.
- (2) Where a limited liability partnership is convicted of a third offence under subsection (1), the court may order that the limited liability partnership be struck off the register by the Registrar in accordance with section 31, as if it is a limited liability partnership that the Registrar has reasonable cause to believe is not carrying on business or is not in operation.

#### **Failure to comply with notices**

- 82.** (1) A person to whom a notice under section 56 or 62 is addressed commits an offence if the person —
- (a) knowingly and wilfully fails to comply with the notice; or
  - (b) in purported compliance with the notice —
    - (i) makes a statement that the person knows to be false in a material particular; or
    - (ii) recklessly makes a statement that is false in a material particular.
- (2) A person does not commit an offence under subsection (1)(a) if the person proves that the requirement to give information was frivolous or vexatious.
- (3) A person who is guilty of an offence under this section is liable —
- (a) on conviction on indictment —
    - (i) in the case of a first offence, to a fine of twenty-five thousand dollars; or
    - (ii) in the case of a second or subsequent offence, to a fine of fifty thousand dollars or to imprisonment for a term of two years, or to both; or



- (b) on summary conviction to imprisonment for a term of twelve months or a fine of five thousand dollars, or to both.

### **Failure to provide information**

- 83.** (1) A person commits an offence if the person —
- (a) knowingly and wilfully fails to comply with a duty under section 57 or 64 within the time required by that section; or
  - (b) in purported compliance with such a duty —
    - (i) makes a statement that the person knows to be false in a material particular; or
    - (ii) recklessly makes a statement that is false in a material particular.
- (2) A person who is guilty of an offence under this section is liable —
- (a) on conviction on indictment —
    - (i) in the case of a first offence, to a fine of twenty-five thousand dollars; or
    - (ii) in the case of a second or subsequent offence, to a fine of fifty thousand dollars or to imprisonment for a term of two years, or to both; or
  - (b) on summary conviction to imprisonment for a term of twelve months or to a fine of five thousand dollars, or to both.

### **Unlawful search or disclosure of beneficial ownership information**

- 84.** A person who conducts a search of a limited liability partnership's beneficial ownership register contrary to section 69(1) or (2) or who discloses beneficial ownership information contrary to section 71 commits an offence and is liable on summary conviction to a fine of ten thousand dollars or imprisonment for twelve months, or to both.

### **Offences by partners and managers**

- 85.** Where a limited liability partnership or a legal entity is guilty of an offence under this Part and it is proved that the offence was committed with the consent or connivance of, or was attributable to, wilful default on the part of a partner or person concerned in the management of the limited liability partnership or legal entity, the partner or person is guilty of the same offence and liable to the same penalty as the limited liability partnership or legal entity.

## ***Supplementary Provisions***

### **Exemptions**

- 86.** (1) The competent authority, if satisfied, having regard to any undertaking given by an individual or a legal entity, that there are special reasons for an exemption from compliance with a notice or duty under this Part, may exempt —
- (a) the individual or legal entity from complying with a notice issued under section 56 or 62;
  - (b) a limited liability partnership from taking steps to identify that individual or legal entity or give notice under sections 56 or 62 to or with respect to them;
  - (c) anyone from sending a notice or giving information pursuant to a notice under section 56(3);
  - (d) the individual or legal entity from the duties imposed by sections 57 and 62; or
  - (e) the individual or legal entity from being entered on a limited liability partnership's beneficial ownership register as a registrable person in relation to any limited liability partnership.
- (2) The competent authority shall exercise the exemption powers in subsection (1) in accordance with the prescribed criteria.

### **Regulations under this Part**

- 87.** (1) The Cabinet may make regulations respecting anything required to carry out this Part or prescribing anything required to be prescribed under this Part, including regulations —
- (a) specifying criteria for the exercise of the competent authority's exemption powers under section 86;
  - (b) respecting the giving of notices under section 56 or 62, including the form, content and manner of giving such notices;
  - (c) to add to or remove from any of the lists of required particulars, including specifying the particulars required respecting the nature of control of an individual over the limited liability partnership referred to in the particulars;
  - (d) requiring additional matters to be noted in a limited liability partnership's beneficial ownership register;
  - (e) requiring the competent authority, a corporate services provider, the Registrar or a limited liability partnership to refrain from using or disclosing particulars of a prescribed kind from a limited liability partnership's beneficial ownership register (or to refrain from doing so except in prescribed circumstances) where an application is made to the



- competent authority requesting the respective entity to refrain from so doing;
- (f) specifying the manner and form in which a limited liability partnership shall keep its beneficial ownership register;
  - (g) setting the fees that the Registrar may charge for services pursuant to an engagement by a limited liability partnership pursuant to section 59 to establish and maintain the company's beneficial ownership register;
  - (h) respecting the procedure to be followed by corporate services providers for limited liability partnerships issuing and withdrawing restrictions notices, including regulations providing for —
    - (i) the form and content of restrictions notices, and the manner in which they must be given;
    - (ii) the factors to be taken into account in deciding what counts as a reason sufficient to justify a person's failure to comply with a notice issued under section 56 or 62; and
    - (iii) the effect of withdrawing a restrictions notice on matters that are pending with respect to the relevant interest when the notice is withdrawn.
- (2) The Cabinet may make regulations respecting the interpretation of the terms “beneficial owner”, “significant influence or control”, “specified conditions”, “registrable person” and “relevant interest”, including regulations —
- (a) to replace any or all references in section 54(3) to a percentage figure with references to some other (larger or smaller) percentage figure;
  - (b) to change or supplement the specified conditions in section 54(3) so as to include circumstances (for example, circumstances involving more complex structures) that give individuals a level of control over limited liability partnership Y broadly similar to the level of control given by the other specified conditions; and
  - (c) specifying the circumstances in which a person holds a right in a limited liability partnership or meets a specified condition in relation to it directly or indirectly through any number of persons or arrangements of any description.
- (3) The Cabinet may, by affirmative resolution, make regulations to add to, remove from or otherwise revise the list of limited liability partnerships to which this Part applies or does not apply under section 52(1)(g).

## PART 9 – ADMINISTRATIVE FINES

### Registrar's power to fine

88. (1) The Registrar has the power to impose an administrative fine on a person who breaches a provision of this Act that is specified in the Schedule.
- (2) Cabinet may by order amend the Schedule.

### Fine amounts

89. The fine shall be five thousand dollars for a breach of a provision of this Act that is specified in the Schedule and the Registrar may, in addition to the fine for the initial breach, impose a further fine of one thousand dollars for every month that the breach continues until one of the following occurs —
- (a) the breach stops or is remedied;
  - (b) payment of the initial fine and all fines imposed for the continuing breach; or
  - (c) the total of the initial fine and all fines for the continuing breach amounts to twenty thousand dollars.

### The power to fine

90. For the avoidance of doubt —
- (a) a fine may be imposed for a breach that is not an offence; and
  - (b) where a breach set out in the Schedule is also an offence, a fine for the breach is not limited by the penalty under the provision or by sections 6(2) and 8 of the *Criminal Procedure Code (2021 Revision)*.

### Limitation period

91. (1) The Registrar shall not impose a fine after the expiration of six months after the date on which the Registrar became aware of the commission of the breach.
- (2) For subsection (1), the Registrar shall be deemed to have become aware of the breach when information was first received from which the breach can reasonably be inferred.

### Relationship with penalties

92. If a breach set out in the Schedule is an offence, a fine for the breach shall not preclude a prosecution for the breach or liability for any relevant fees.

### Registrar may issue guidance

93. The Registrar may issue guidance on the enforcement of administrative fines under this Act.



**Registrar's rule-making power for this Part**

- 94.** The Registrar may, by rules published in the Gazette, provide for —
- (a) aggravating and mitigating factors for fines; and
  - (b) the publication of fines imposed in accordance with this Part.

**Regulation-making powers for this Part**

- 95.** Regulations made by Cabinet may provide for —
- (a) forms and procedures for imposing fines;
  - (b) appeals against decisions under this Part;
  - (c) how fines shall be paid and may be enforced;
  - (d) interest on outstanding fines;
  - (e) evidentiary provisions for proceedings relating to this Part; and
  - (f) such other matters that are necessary or convenient to give effect to the purposes or provisions of this Part.

**Transitional provision**

- 96.** No prosecution may be commenced against a limited liability partnership for an offence under section 81, as enacted by clause 2 of the *Limited Liability Partnership (Amendment) Act, 2018 [Law 32 of 2018]*, unless the act or omission that constituted the offence took place at least three months after 30th November, 2020, the date of the coming into force of that section.



## SCHEDULE

### Administrative fines

*(section 88)*

No.	Section	Description of breach
1.	54(1)	Failure of a limited liability partnership to take reasonable steps to identify any beneficial owner of the limited liability partnership.
2.	55(1)	Failure of a limited liability partnership to take reasonable steps to identify any relevant legal entities that exist in relation to the limited liability partnership.
3.	56(1)	Failure of a limited liability partnership to give notice in writing to beneficial owners and relevant legal entities identified by the limited liability partnership under sections 54 and 55.
4.	56(2)	Failure of a beneficial owner or relevant legal entity to supply information under section 56(2) within the timeframe specified under section 56(2).
5.	59	Failure of a limited liability partnership to keep its beneficial ownership register at the limited liability partnership's registered office.
6.	60(1)	Failure of a limited liability partnership to which Part 8 applies, to provide in writing to the corporate services provider or to the Registrar the required particulars of registrable persons once the required particulars have been confirmed.
7.	60(2)	Failure of a limited liability partnership which is exempt from Part 8 to provide — (a) written confirmation of the exemption of the corporate services provider; or (b) instructions to file the written confirmation with the competent authority.
8.	62(1)	Failure of a limited liability partnership to which Part 8 applies to give notice requesting confirmation of the change under section 62(1) to a registrable person as soon as reasonably practicable after the limited liability partnership becomes aware of a relevant change with respect to a registrable person.

No.	Section	Description of breach
9.	62(2)	Failure of a limited liability partnership which receives confirmation of a relevant change to instruct the corporate services provider or the Registrar to enter the change in the limited liability partnership's beneficial ownership register in accordance with section 62(2).
10.	63(1)	Failure of the corporate services provider to give notice of its opinion to the limited liability partnership if it is of the opinion that the limited liability partnership has failed to comply with section 60 or 62 without reasonable excuse, or has made a statement that is false, deceptive or misleading in accordance with section 63(1).
11.	63(2)	Failure of the limited liability partnership to provide the corporate services provider or the Registrar with a response to a notice under section 63(2).
12.	63(3)	Failure of a corporate services provider to — (a) issue a restrictions notice; and (b) send a copy of the notice to the competent authority within two weeks, where the registrable person does not comply with its obligations under section 63(3).
13.	64(3)	Failure of a person to whom the section applies — (a) to notify the limited liability partnership of the relevant change; (b) to state the date the change occurred; or (c) to give the limited liability partnership any information needed to update the beneficial ownership register under section 64(2), within the timeframe specified at section 64(3).
14.	68(2)	Failure of the corporate services provider to regularly deposit beneficial ownership information received from the limited liability partnerships that have engaged the corporate services provider, in such place, such manner and at such intervals as may be prescribed in accordance with section 68(2).



No.	Section	Description of breach
15.	72(1)	Failure of a limited liability partnership to issue a restrictions notice in accordance with section 72(1).
16.	73(1)	Failure of a limited liability partnership to act in a manner consistent with the terms of a restrictions notice issued under section 72(1).

**Publication in consolidated and revised form authorised by the Cabinet this 5th day of January, 2021.**

**Kim Bullings**  
*Clerk of Cabinet*



## ENDNOTES

### Table of Legislation history:

SL #	Law #	Legislation	Commencement	Gazette
	56/2020	Citation of Acts of Parliament Act, 2020	3-Dec-2020	LG89/2020/s1
149/2020		Limited Liability Partnership (Amendment) (No. 2) Law, 2020 (Commencement) Order, 2020	30-Nov-2020	LG86/2020/s5
	52/2020	Limited Liability Partnership (Amendment) (No. 2) Law, 2020	30-Nov-2020	LG84/2020/s4
148/2020		Limited Liability Partnership (Amendment) Law, 2020 (Commencement) Order, 2020	30-Nov-2020	LG10/2020/s4
	6/2020	Limited Liability Partnership (Amendment) Law, 2020	30-Nov-2020	LG10/2020/s3
147/2020		Limited Liability Partnership (Amendment) Law, 2019 (Commencement) Order, 2020	30-Nov-2020	LG86/2020/s3
	12/2019	Limited Liability Partnership (Amendment) Law, 2019	30-Nov-2020	LG28/2019/s3
146/2020		Limited Liability Partnership (Amendment) Law, 2018 (Commencement) Order, 2020	30-Nov-2020	LG86/2020/s2
	42/2018	Limited Liability Partnership (Amendment) Law, 2018	30-Nov-2020	GE97/2018/s16
	13/2017	Limited Liability Partnership Law, 2017	5-Jun-2017	G12/2017/s5





(Price: \$15.20)

