

CONYERS

A photograph of a modern glass skyscraper with a grid-like facade, viewed from a low angle. The building is partially obscured by a semi-transparent blue overlay containing text. The foreground shows a paved plaza with a pattern of light and dark tiles.

Comparison of Laws in Bermuda, the Cayman Islands and the British Virgin Islands Relating to Limited Partnerships

Preface

This publication has been prepared for the assistance of those who are considering the formation of an exempted (or international) limited partnership in an offshore jurisdiction such as Bermuda, the Cayman Islands (“Cayman”) or the British Virgin Islands (“B.V.I.”) for the conduct of business outside such jurisdiction. This publication touches on, but does not deal with, other types of partnerships that may be formed in any of the above jurisdictions. This publication does not deal with the laws and regulations which may be applicable to certain kinds of business activities. Certain procedures are summarised but they may require a number of intermediate steps. For the sake of convenience, certain abbreviations are used.

This publication deals in broad terms with the requirements of each jurisdiction for the establishment and operation of exempted or international limited partnerships. It is not intended to be exhaustive, but merely to provide brief details and information which we hope will be of use to our clients. We recommend that our clients seek legal advice in relation to each jurisdiction on their specific proposals before taking steps to implement them.

Before proceeding with the formation of a limited partnership in any jurisdiction, persons are advised to consult their tax, legal and other professional advisors in their respective jurisdiction.

For current listings of the government fees for each jurisdiction, please contact Conyers.

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TABLE OF CONTENTS

1.	INTRODUCTION	4
2.	LEGAL NATURE OF A PARTNERSHIP	4
3.	TYPES OF PARTNERSHIPS AND THEIR COMPOSITION	4
4.	FORMATION AND REGISTRATION OF A LIMITED PARTNERSHIP	5
5.	ECONOMIC SUBSTANCE	6
6.	LIABILITY OF GENERAL AND LIMITED PARTNERS	8
7.	ACCOUNTS	8
8.	PARTNERSHIP INTERESTS	9
9.	RETURN OF CONTRIBUTIONS	10
10.	REGISTERED OFFICE AND PUBLIC RECORDS	10
11.	AMENDMENTS TO THE PARTNERSHIP	11
12.	DISSOLUTION OF A LIMITED PARTNERSHIP	11
13.	TAXATION	12
14.	EXCHANGE CONTROL	13

1. INTRODUCTION

As the number of exempted limited partnerships established in offshore jurisdictions continues to grow, it remains important to understand the advantages offered by each jurisdiction. Conyers Dill & Pearman has offices in each of Bermuda, B.V.I. and Cayman and is able to advise on the establishment of exempted limited partnerships in each of these jurisdictions. The purpose of this publication is to help our clients identify which jurisdiction is best suited for their needs.

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
2. LEGAL NATURE OF A PARTNERSHIP		
<p>A Bermuda partnership may elect to assume a separate legal personality¹. In the absence of such election, a partnership is not a legal entity with any degree of legal personality, but merely a relationship between the partners. If the election to adopt separate legal personality is not made, under Bermuda law a partnership may function for most practical purposes as an entity. The Rules of Court permit a partnership to sue and be sued in its partnership name, and a Bermuda partnership is permitted to carry on business in its partnership name.</p>	<p>A Cayman partnership (exempted limited partnership or general partnership) is not a legal entity with any degree of legal personality, but merely a relationship between the partners. A Cayman partnership is defined as “the relation that subsists between persons carrying on a business in common with a view to profit.” A partnership can sue and be sued in its own name, and under Cayman law a partnership can carry on business in its partnership name.</p> <p>A Cayman partnership can sue and be sued in its own name and can carry on business in its firm name.</p> <p>Cayman also allows for the registration of a limited liability partnership (LLP) that does have legal personality separate and distinct from its partners.</p>	<p>A B.V.I. limited partnership may be constituted with or without legal personality. A limited partnership without legal personality exists not as a legal entity with any degree of legal personality, but merely a relationship between the partners. A B.V.I. partnership without legal personality is defined as “the relation that subsists between persons carrying on a business in common with a view to profit.” Under B.V.I. law a partnership without legal personality may function for most practical purposes as an entity. The Rules of Court permit a partnership to sue and be sued in its partnership name, although in the case of a limited partnership formed without legal personality under the Limited Partnership Act, 2017 (the “LPA”), legal proceedings may only be instituted by or against any one or more of the general partners. A B.V.I. partnership is permitted to carry on business in its partnership name.</p>
3. TYPES OF PARTNERSHIPS AND THEIR COMPOSITION		
<p>Bermuda has general partnerships and limited partnerships. Such partnerships may be local (if they meet certain Bermudian control requirements), in which case they can carry on business in Bermuda, or they</p>	<p>Cayman has general partnerships, limited partnerships and LLPs. Such partnerships may be local (if they meet certain Caymanian control requirements), in which case they can carry on business in Cayman, or they</p>	<p>B.V.I. has general partnerships and limited partnerships. Under the Partnership Act, 1996, limited partnerships were local or international. Under the new LPA, this distinction no longer exists and only a single type of</p>

¹ A particular advantage is the avoidance of having to novate contracts on change of partners. We have found this helpful on ISDA contacts and loan facilities being secured by the right to call limited partnership capital. UK practitioners have found this useful for group elections under the Financial Services and Markets Act 2000. There are also advantages in being able to hold property in the name of the partnership. Problems in relation to a partnership being partner of an underlying partnership are avoided. Where partners are from several jurisdictions it is important to carefully examine the best option from a tax perspective. In some cases the “non-corporate” form may be preferable for fiscal transparency. A partnership which has elected to have legal personality may also convert to or from a Bermuda exempted company or limited liability company.

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
<p>may be exempted. Exempted partnerships may be general or limited, and may be resident in Bermuda and carry on business in Bermuda in connection with transactions and activities which do not compete in the domestic economy. The focus of this publication is on this type of partnership: the “exempted limited partnership”.</p> <p>A Bermuda exempted limited partnership must be comprised of at least one general partner and at least one limited partner. There is no requirement for a partner to have a ‘local connection’.</p>	<p>may be exempted. Exempted partnerships, as opposed to local ones, must not undertake business with the public in Cayman other than as may be necessary for carrying on its business outside of Cayman. The focus of this publication is on this type of partnership: the “exempted limited partnership”.</p> <p>A Cayman exempted limited partnership must be comprised of at least one general partner and at least one limited partner. In a Cayman exempted limited partnership, at least one of the general partners must have a “local connection” to Cayman. For this purpose, this includes an individual resident in Cayman, a Cayman registered company, an overseas company registered as a foreign company under the Companies Act of the Cayman Islands and / or a Cayman limited partnership or a foreign limited partnership established in a recognised jurisdiction outside of the Cayman Islands which is registered in the Cayman Islands as a foreign limited partnership.</p>	<p>limited partnership may be formed. Existing international partnerships may be resident in B.V.I. and carry on business from B.V.I. in connection with transactions and activities which are external to the B.V.I. As such, international partnerships are not permitted to own or hold an interest in property situated in B.V.I. (other than a lease of property for use as an office from which to communicate with partners or to prepare and maintain the partnership’s books and records).</p> <p>A B.V.I. general partnership can be comprised of any two or more partners who may be individuals or bodies corporate or another partnership. A B.V.I. limited partnership must be comprised of at least one general partner and at least one limited partner. The focus of this publication is on limited partnerships.</p>

4. FORMATION AND REGISTRATION OF A LIMITED PARTNERSHIP

<p>An application must be made to the Bermuda Monetary Authority (the “Authority”) for permission to form an exempted limited partnership. The Authority must also approve the general partner(s). (No clearance is required on limited partners). A copy of the draft Certificate of Limited Partnership and Certificate of Exempted Partnership should also be included in the application. The application will contain the name of the partnership, the name(s) of the general partner(s), the name and address of the partnership’s registered office in Bermuda, and the name of its resident representative (and address, if different from the registered office). Permission to form the partnership normally takes between one and three business days. Once approval is obtained and signed copies of the Certificates issued, the documentation is delivered to the Registrar of Companies for registration.</p> <p>If a partnership elects to adopt legal</p>	<p>The general partner must submit to the Registrar of Exempted Limited Partnerships (the “Registrar”) a statement signed by or on behalf of the general partner setting out the name of the partnership, the general nature of the business, the address of the registered office, the term, if any, for which the partnership is entered into (or a statement that it is of unlimited duration), the names and particulars of the general partners (and, where the general partner is a body corporate, a certificate of good standing; where a partnership, certificates of registration and good standing; where an individual photographic evidence of his identity and proof of residential address), and a declaration that the partnership will not undertake business with the public in Cayman save as permitted. Going forward, each exempted limited partnership is required to file such statement annually.</p>	<p>A limited partnership is formed by a registered agent filing (a) a statement signed by or on behalf of each general partner specifying: (i) the name of the partnership and foreign character name (if applicable), (ii) the address of the registered office, (iii) the name and address of the registered agent, (iv) the name and address of each general partner, (v) the term for which the partnership is entered into or, if for unlimited duration, a statement to that effect; (b) if the general partners wish to elect that the limited partnership shall not have legal personality, a declaration to that effect signed by or on behalf of each general partner; and (c) a signed consent to act as registered agent. Subject to the application complying with the LPA, the Registrar of Limited Partnerships (the “Registrar”) shall register the limited partnership in the Register of Limited Partnerships and issue a certificate of registration, which shall state whether or not the limited partnership has legal personality. The</p>
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BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
<p>personality, an irrevocable election can be made at any time by inclusion of the election in the certificate of exempted partnership.</p>		<p>limited partnership is formed on the date specified in the certificate.</p> <p>A limited partnership is required to have a limited partnership agreement. A model agreement is deemed to be adopted except as modified or excluded by, or inconsistent with, the signed limited partnership agreement. A model agreement allows limited partnerships to be formed quickly, particularly if the signed limited partnership agreement has not yet been finalised.</p>
<p>5. ECONOMIC SUBSTANCE</p>		
<p>Entities within the scope of Bermuda's economic substance regime ("registered entities") include partnerships to which the Partnership Act 1902 applies, limited, exempted, exempted limited and overseas partnerships, where those entities are carrying on a 'relevant activity' as a business but do not include non-resident entities. A non-resident entity is an entity which is resident for tax purposes in a jurisdiction outside Bermuda that is acceptable to the Registrar² and that is not designated by the EU as a non-cooperative jurisdiction for tax purposes.</p> <p>In scope entities which carry on as a business any one or more of the following relevant activities are required to comply with economic substance requirements:</p> <ul style="list-style-type: none"> • Banking • Insurance • Fund management • Financing and leasing • Headquarters • Shipping • Intellectual property • Distribution and service centres 	<p>Entities within the scope of Cayman's economic substance regime ("relevant entities") include limited liability partnerships, partnerships, exempted limited partnerships and foreign limited partnerships. Local partnerships, entities that are "investment funds" and entities that are "tax resident" outside the Cayman Islands are excluded. Relevant entities, including those that do not conduct 'relevant activities' as defined by the International Tax Co-operation (Economic Substance) Act (2021 Revision) (the "ES Act"), are required to submit an annual Economic Substance Notification to the Tax Information Authority ("TIA") to confirm, amongst other things, whether or not they conduct one or more relevant activities and, if so, whether are not they are a relevant entity.</p> <p>Relevant activity is defined to include the following businesses:</p> <ul style="list-style-type: none"> • Banking • Distribution and service centre • Financing and leasing • Fund management • Headquarters • Holding company 	<p>Entities within the scope of the BVI's economic substance regime ("Legal Entities") include limited partnerships (as defined in the Limited Partnership Act 2017 unless (a) it is resident for tax purposes in a jurisdiction outside of the BVI and (b) that jurisdiction is not on Annex 1 to the EU list of non-cooperative jurisdictions for tax purposes, the "EU blacklist".</p> <p>A Legal Entity which carries on a Relevant Activity during any Financial Period must comply with the economic substance requirements in relation to that activity.</p> <p>"Relevant Activity" means any of the following: banking business, insurance business, fund management business, finance and leasing business, headquarters, shipping business, holding business, intellectual property business and distribution and service centre business, but not investment fund business.</p> <p>A Legal Entity carrying on a Relevant Activity other than Holding Business during any Financial Period complies with the economic substance requirements in relation to that activity if:</p> <p>(a) the Relevant Activity is directed and</p>

² An entity will not be deemed by the Registrar to be resident for tax purposes in a jurisdiction if that jurisdiction does not have a corporate tax regime and/or residency for tax purposes in such jurisdiction does not result in the entity being subject to the equivalent economic substance requirements in that jurisdiction. The Registrar has advised that such jurisdictions may include Anguilla, Bahamas, Bahrain, Barbados, British Virgin Islands, Cayman Islands, Turks and Caicos Islands and the United Arab Emirates.

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
<ul style="list-style-type: none"> • Holding entity <p>The above activities are considered as being carried on as a business by an entity whether or not the entity earns any gross revenue in respect of such activity during a “relevant financial period”. However, an entity that earns no gross revenue in respect of such activity in any relevant financial period will not be required to satisfy the economic substance requirements in respect of that activity for that relevant financial period.</p> <p>Local entities that are carrying on a relevant activity (with the exception of banking and insurance business) and which (i) are required to be at least 60% beneficially owned and controlled by Bermudian persons, (ii) carry on business only in Bermuda, and (iii) are not part of a multinational enterprise group, are, along with pure equity holding entities, subject to reduced economic substance requirements.</p> <p>For all other in scope entities carrying on relevant activities, the legislation requires that they maintain a substantial economic presence in Bermuda, and in that regard comply with full economic substance requirements. These requirements will be met if:</p> <ul style="list-style-type: none"> • the entity is managed and directed in Bermuda; • core income generating activities are undertaken in Bermuda with respect to the relevant activity; • the entity maintains adequate physical presence in Bermuda; • there are adequate full time employees in Bermuda with suitable qualifications; and • there is adequate operating expenditure incurred in Bermuda in relation to the relevant activity. 	<ul style="list-style-type: none"> • Insurance • Intellectual property • Shipping <p>but not investment fund business.</p> <p>In order to satisfy the economic substance requirements (“ES Test”), a relevant entity carrying on a relevant activity will need to show that it:</p> <ul style="list-style-type: none"> (a) conducts core income generating activities (“CIGAs”) in relation to that relevant activity; (b) is directed and managed in an appropriate manner in or from within the Cayman Islands in relation to that relevant activity; and (c) having regard to the level of relevant income derived from the relevant activity carried out in or from within the Islands – <ul style="list-style-type: none"> (i) has an adequate amount of operating expenditure incurred in or from within the Islands; (ii) has an adequate physical presence (including maintaining a place of business or plant, property and equipment) in the Islands; and (iii) has an adequate number of full-time employees or other personnel with appropriate qualifications in the Islands. <p>The TIA will take a “principles-based approach” to determining whether or not a relevant entity has satisfied the ES Test with respect to its relevant activities. Accordingly, compliance with the ES Test will differ as between relevant entities depending upon individual business circumstances.</p> <p>CIGAs are activities that are of central importance to a relevant entity in terms of generating income and that are being carried out in the Islands.</p> <p>Relevant entities must report their relevant activities on an annual basis and show adequate substance in the Cayman Islands.</p>	<p>managed in the BVI;</p> <ul style="list-style-type: none"> (b) the Legal Entity has an adequate number of suitably qualified employees, in relation to that activity who are physically present in the BVI, appropriate physical offices or premises and adequate expenditure in the BVI; (c) where the Relevant Activity is intellectual property business and requires the use of specific equipment, that equipment is located in the BVI; and (d) core income generating activity (“CIGA”) is carried on in the BVI (whether by the Legal Entity itself or another entity for it).

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
6. LIABILITY OF GENERAL AND LIMITED PARTNERS		
<p>In a Bermuda general partnership, all partners have unlimited liability for the debts and obligations of the partnership. In a Bermuda exempted limited partnership, the limited partners are not, subject to the satisfaction of certain requirements, liable for the debts of the partnership beyond the amounts they have agreed to contribute to the partnership. Only the general partner of an exempted limited partnership may engage in the management or transact the business of the partnership.</p> <p>If a limited partner engages in the management of the partnership that partner will be liable as a general partner. Note that there are 'safe harbour' exceptions as to activities which are deemed not to be 'management'. One particularly helpful safe harbour provision is that a limited partner will not be deemed to be engaged in management in making decisions in respect of any investments made by the limited partnership.</p>	<p>In a Cayman general partnership, all partners have unlimited liability for the debts and obligations of the partnership. In a Cayman exempted limited partnership, the limited partners are not, subject to the satisfaction of certain requirements, liable for the debts of the partnership beyond the amounts they have agreed to contribute to the partnership. Only the general partner of an exempted limited partnership may engage in the management or transact the business of the partnership.</p> <p>If a limited partner engages in the management of the partnership that partner will lose to some extent the benefit of limited liability. Note that there are "safe harbour" exceptions as to activities which are deemed not to be considered as taking part in the conduct of the business of the partnership. These include, amongst other things, advising the general partner regarding the business of the partnership and voting as a limited partner in respect of the purchase or transfer of assets of the partnership or a change in the nature of business of the partnership.</p>	<p>In a B.V.I. general partnership, all partners have unlimited liability for the debts and obligations of the partnership. In a B.V.I. limited partnership, the limited partners are not, subject to the limited partnership agreement, liable for the debts of the partnership beyond the amounts they have agreed to contribute to the partnership. Only the general partner of a limited partnership may engage in the management or transact the business of, sign or execute documents for, or otherwise bind the partnership.</p> <p>If a limited partner engages in the management of the partnership that partner may become liable to persons who transact business with the limited partnership reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner. However, the LPA provides a non-exhaustive list of the safe harbour provisions for limited partners. These include that a limited partner would not be deemed to take part in the management of the limited partnership business by reason only of holding an office or interest in, acting as a consultant, contractor or agent for, being an employee of or transacting business with a general partner, acting as a surety or guarantor or taking part in a decision on certain matters, such as the sale of assets or incurrence of indebtedness by the limited partnership</p>
7. ACCOUNTS		
<p>An exempted limited partnership is required to maintain audited financial statements in accordance with GAAP for such period as the partnership agreement may provide. However, these obligations may be waived as long as the partners make provision for this in the partnership agreement.</p> <p>A partnership is required to keep, for a period of five years from the date on which they were prepared, proper records of account with respect to its business including records of account with respect to its assets, liabilities and</p>	<p>Subject to any term of the partnership agreement, a limited partner is entitled to full information regarding the state of the business and financial condition of the exempted limited partnership from the general partner.</p>	<p>A limited partnership is required to maintain financial records and underlying documentation that are sufficient to show and explain the limited partnership's transactions and will, at any time, enable the financial position of the limited partnership to be determined with reasonable accuracy. The records and underlying documentation must be kept for at least five years from the date of completion of the transaction to which the records and underlying documentation relate or the limited partnership terminates the</p>

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
<p>capital, cash receipts and disbursements, purchases and sales; and income costs and expenses. Such records must be kept at the registered office or such other place as the partners think fit and shall be open to inspection by the limited partners.</p>		<p>business relationship to which the records and underlying documentation relate.</p>

8. PARTNERSHIP INTERESTS

<p>Although an exempted limited partnership must keep at its registered office a register of limited partners, this information is only available to the partners.</p> <p>Subject to the provisions of the partnership agreement, a limited partner may, with the consent of the general partner(s) assign its interest in a limited partnership. Any assignee of a limited partnership interest will, to the extent of such assignment, become a limited partner with the rights and subject to the obligations of the assignor in accordance with the partnership agreement and Bermuda law in respect of the partnership interest or part thereof assigned.</p>	<p>The general partner must maintain separate registers which contain particulars of (i) the name and address of each person who is a limited partner, the date on which a person became a limited partner and the date upon which they ceased to be a limited partner, and (ii) a record of the amount and date of the contribution or contributions of the limited partner and the amount and date of any payment representing a return of the whole or part of the contribution of any limited partner. Such register may be kept in or outside the Cayman Islands. If it is kept at a place other than the registered office, the general partner shall maintain or cause to be maintained at the registered office a record of the address at which the registers are kept. The registers must be made available at the registered office if a notice or order for production is made under the Tax Information Authority Act.</p> <p>The registers must be updated within 21 days of any changes to the particulars.</p> <p>The partners are free to set out the desired transfer restrictions (if any) in the partnership agreement.</p> <p>Any transferee of a limited partnership interest will, to the extent of such transfer, become a limited partner with the rights and subject to the obligations of the transferor in accordance with the partnership agreement and Cayman law in respect of the partnership interest or part thereof transferred.</p> <p>A grantor or grantee of a security interest granted by limited partners is required to serve written notice of the creation of the security interest at the address of the registered office of the exempted limited partnership.</p>	<p>The general partners must maintain at the office of the registered agent of the limited partnership registers of general and limited partners in which the following must be recorded: the name and address of each partner, the dates on which a person became and ceased to be a partner and particulars of the partnership interest of each partner.</p> <p>Unless permitted by the limited partnership agreement, no limited partner may, except with the prior written consent of the general partners, assign either absolutely or by way of mortgage the whole or any part of his partnership interest.</p> <p>Any assignee of a limited partnership interest will, to the extent of such assignment, become a limited partner with the rights and subject to the obligations of the assignor in accordance with the partnership agreement and BVI law in respect of the partnership interest or part thereof assigned.</p> <p>A grantor or grantee of a security interest granted by limited partners is required to serve written notice of the grant of the security interest to the limited partnership.</p>
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BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
9. RETURN OF CONTRIBUTIONS		
<p>No part of a limited partner's capital contribution shall be withdrawn, nor shall any payment of a share of the profits or other compensation by way of income be made to a limited partner from the assets of the limited partnership if, on the date of withdrawal or payment, the general partner has reasonable grounds for believing that the partnership, after the withdrawal or payment, would be unable to pay its liabilities as they become due.</p>	<p>If a limited partner receives a payment representing a return of his contribution or is released from any outstanding obligation in respect of his commitment and at the time that payment was made or the release effected (i) the exempted limited partnership was insolvent, including where the payment or release caused the insolvency; and (ii) the limited partner has the actual knowledge of the insolvency of the exempted limited partnership, then for a period of six months from such date, but not thereafter, the limited partner is liable to the exempted limited partnership for the amount of the payment or due performance of the released obligation to the extent necessary to discharge a debt or obligation of the exempted limited partnership incurred during the period that the contribution represented an asset of the exempted limited partnership.</p>	<p>If a limited partner receives a payment representing a return of his contribution or is released from any outstanding obligation in respect of his commitment and at the time or immediately following the time that payment was made or the release effected (i) the limited partnership was insolvent; and (ii) the limited partner knew of the insolvency of the limited partnership, then for a period of six months from such date, but not thereafter, the limited partner is liable to the limited partnership for the amount of the payment or due performance of the released obligation to the extent necessary to discharge a debt or liability of the limited partnership incurred during the period that the contribution represented an asset of the limited partnership.</p>
10. REGISTERED OFFICE AND PUBLIC RECORDS		
<p>Every exempted limited partnership is required to have a registered office (which cannot be a post office box address) situated in Bermuda and must appoint a "resident representative" in Bermuda. The resident representative is required to inform the Authority if the partnership is not complying with certain basic provisions of the law. The resident representative may be an exempted company formed to act as general partner.</p> <p>The Certificates of Exempted and Limited Partnership are public documents available for inspection. The partnership agreement itself remains confidential.</p>	<p>Every exempted limited partnership is required to have a registered office (which cannot be a post office box address) situated in Cayman for service of process and to which all notices and correspondence may be addressed. The register of limited partnership security interests must be maintained at the registered office and may be inspected by any person during all usual business hours.</p> <p>The Registrar maintains a record of each exempted limited partnership registered and a record of all statements filed in relation thereto. Upon payment of a fee, any person can acquire a certified copy of the certificate of registration, a certificate of good standing, or a copy of or extract from any registered statement filed in relation to an exempted limited partnership.</p>	<p>A limited partnership is required to have a registered office (which cannot be a post office box address) in the BVI and must have a registered agent. A copy of the register of charges must be kept at the registered office or at the office of the registered agent.</p> <p>The FSC maintains a register of limited partnerships. The register of limited partnerships is open to the public for inspection during regular office hours. Upon request, any person can acquire from the Registrar a certificate of good standing in relation to a limited partnership.</p>

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
11. AMENDMENTS TO THE PARTNERSHIP		
<p>Permission of the Authority is required to change the general partners³. Once approval has been granted, Amended Certificates of Exempted and Limited Partnership must be filed with the Registrar. Where there has been a change of registered address or resident representative, prior consent is not required, but the change does not become effective until the Registrar is notified.</p>	<p>If during the term of the exempted limited partnership any change is made or occurs in any of the details set out in its previous statement, a revised statement signed by the general partner specifying the nature of the change must be filed with the Registrar within 60 days. Changes which remove, replace or admit a general partner must be filed with the Registrar within 15 days of the change and any such removal, replacement or admission is not effective until such Statement is filed with the Registrar.</p>	<p>A notice of change in registered particulars, signed by one or more general partners, must be filed within 14 days of a change in any information registered in relation to a general partner or any other prescribed information or document. The partnership and each general partner commit an offence if they fail to file the notice of change with the Registrar within the required period.</p>
12. DISSOLUTION OF A LIMITED PARTNERSHIP		
<p>The registration of an exempted limited partnership must be cancelled upon the dissolution and consequent winding up of the partnership or if there is no limited partner. A Certificate of Cancellation must specify the name, date of registration of the partnership, the date of dissolution and the effective date of the cancellation. The Certificate of Cancellation must be signed by the general partner and, within 30 days of the dissolution, be registered with the Registrar.</p>	<p>An exempted limited partnership shall be voluntarily wound up at the time or upon the occurrence of any event specified in the partnership agreement and dissolved in accordance with the terms thereof. If no time or event is specified, an exempted limited partnership shall continue until wound up and dissolved by resolution of all the general partners and a two-thirds majority of limited partners, unless otherwise specified in the partnership agreement.</p> <p>An exempted limited partnership shall not be dissolved by any act of the partners or otherwise until a notice of dissolution signed by a general partner or liquidator has been filed with the Registrar on completion of the winding up of the partnership.</p> <p>Exempted limited partnerships are wound up and dissolved in accordance with the procedures set out in Part V of the Companies Act and the Companies Winding Up Rules, as necessarily modified. For voluntary dissolutions in accordance with the partnership agreement and following a vote of the a partners as specified above, only certain limited reporting provisions of Part V of the Companies Act apply.</p>	<p>A limited partnership may terminate on the occurrence of an event specified in the limited partnership agreement, by a resolution of all its general partners and limited partners with capital contributions exceeding 50 per cent of the total capital contributions by limited partners, if there has been no general partner or no limited partner for 90 days, on the appointment of a liquidator, or on the partnership being struck off the Register on any ground other than for the non-payment of fees or penalties.</p> <p>After the termination, the general partners may: (i) if the limited partnership has no assets and no liabilities, apply to the Registrar to de-register the partnership; or (ii) if the partnership is solvent, resolve to wind up its affairs or appoint a liquidator to wind up its affairs. Following the winding up, the limited partnership may de-register by way of application for strike-off.</p> <p>A limited partnership may be wound up by a Court-appointed liquidator on the application of a partner, a creditor, the registered agent, the Official Receiver, or the Attorney General if it has terminated but is not being wound up, is insolvent or the Court is of the opinion</p>

³ Not required if change is to an affiliate of the general partner.

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
		<p>that it is just and equitable or in the public interest that a liquidator be appointed. An insolvent limited partnership may only be liquidated under the Insolvency Act, 2003 as if the limited partnership were an unlimited company.</p> <p>The Registrar also has the ability to strike off a limited partnership for a number of reasons including failure to file returns, not having a registered agent, non-payment of fees, the limited partnership ceasing to carry on business, or carrying on business without a licence where one is required. To the extent that a limited partnership has been struck off for a continuous period of seven years, it will be de-registered from the last day of that seven-year period. However, the court may restore a de-registered limited partnership within seven years of its de-registration.</p>
13. TAXATION		
<p>There is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by a Bermuda partnership or its partners other than partners ordinarily resident in Bermuda.</p> <p>A Bermuda partnership may apply for and is likely to receive from the Minister of Finance an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax will not be applicable to the partnership or to any of its operations or partnership interests in or other obligations of the partnership until 31st March, 2035 except in so far as such tax applies to persons ordinarily resident in Bermuda and being partners of or parties to other obligations of the partnership or any land leased or let to the partnership.</p>	<p>On application by a general partner, the Governor in Cabinet may give an undertaking in respect of any exempted limited partnership that no law which is hereafter enacted in Cayman imposing any tax on profits, income, gains or appreciations will apply to that exempted limited partnership, or to any of its partners in respect of the operations or assets of the exempted limited partnership or the partnership interest of any of its partners. Such undertaking may also provide that the aforementioned taxes and any tax in the nature of estate duty or inheritance tax shall not be payable in respect of obligations of the exempted limited partnership or the interest of its partners. The undertaking by the Governor in Council will be for a period not exceeding 50 years from the date of the approval of the application.</p>	<p>At the date of this publication, there is no BVI estate, inheritance, succession or gift tax with respect to any partnership interests, debt obligations or other securities of a limited partnership.</p> <p>Further, all distributions, return of contributions, interest, rents, royalties, compensations, and other amounts paid by such limited partnership, and any capital gains realised with respect to any partnership interests, debt obligations, or other securities of a limited partnership, are exempt from the Income Tax Ordinance of the B.V.I.</p> <p>Limited partnerships are not subject to any stamp duty in the B.V.I. other than in relation to the transfer of an interest in land situate in the B.V.I. or transactions in respect of the interests, debt obligations, or other securities in or of a land owning limited partnership.</p>

BERMUDA	CAYMAN	BRITISH VIRGIN ISLANDS
14. EXCHANGE CONTROL		
There are exchange controls in Bermuda applicable particularly to local persons and businesses. Exempted limited partnerships are designated non-resident for exchange control purposes.	There are no exchange controls in Cayman.	There are no exchange controls in BVI.

This publication should not be construed as legal advice and is not intended to be relied upon in relation to any specific matter. It deals in broad terms only and is intended merely to provide a brief overview and give general information.

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