



BERMUDA

LIMITED PARTNERSHIP ACT 1883

1883 : 24

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[words of enactment omitted]

1 *[Repealed]*

[Section 1 repealed by 2009:40 s.2 effective 14 September 2009]

Interpretation

1A In this Act, unless a contrary intention appears—

“affiliate”, in relation to a general partner, means an entity with the same beneficial owners as that general partner;

“appointed jurisdiction” has the meaning assigned to the term in section 2(1) of the Companies Act 1981;

“appointed newspaper” has the meaning assigned to the term in section 2(1) of the Companies Act 1981;

“Authority” means the Bermuda Monetary Authority established under section 2 of the Bermuda Monetary Authority Act 1969;

“Court” means the Supreme Court;

“electronic record” has the meaning given to that expression in section 2(1) of the Electronic Transactions Act 1999;

“exempted LLC” has the meaning assigned to it in section 21 of the Limited Liability Company Act 2016;

“Minister” means the Minister of Finance or such other Minister as may be appointed to administer this Act;

“the register” means the register referred to in section 4(l)(b);

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“the Registrar” means the Registrar of Companies appointed under section 3 of the Companies Act 1981 or such other person as may be performing the duties of the Registrar under that Act.

[Section 1A inserted by 1990:59 effective 1 September 1990; “minimum limited partners’ capital” and “statutory value” deleted by 2005:38 s.2 effective 29 December 2005; “Authority” inserted, “the limited partners’ capital” repealed, and “the Registrar” replaced by 2009:40 s.3 effective 14 September 2009; “Minister” deleted and substituted by BR 5 / 2011 para. 5 effective 25 February 2011; “affiliate”, “appointed jurisdiction” and “appointed newspaper” inserted by 2015 : 20 s. 2 effective 28 December 2015; “exempted LLC” inserted by BR 46 / 2017 para. 3 effective 10 May 2017; Section 1A definition “electronic record” inserted by 2020 : 52 s. 5 effective 31 May 2021]

Delivery of electronic records to Registrar

1B (1) The Minister may, in the regulations, provide that where there is a requirement in the Act or in any statutory instrument made under the Act for a person to file any document or for the Registrar to issue any certificate or other document, such filing or issuing thereof shall be made by means of an electronic record.

(2) For the purposes of subsection (1), “to file” includes to send, forward, give, deliver, provide, deposit, furnish, issue, leave at, serve, submit, circulate, lay, make available or lodge.

(3) The regulations made under subsection (1)—

(a) may provide for any other matter related to electronic records for purposes of this Act; and

(b) shall be subject to the negative resolution procedure.

[Section 1B inserted by 2020 : 52 s. 5 effective 31 May 2021]

Constitution of, and contribution to, limited partnership

2 (1) Limited partnerships shall consist of—

(a) one or more general partners who shall be jointly and severally responsible as partners now are by law; and

(b) any other persons who contribute, or undertake to contribute, to the limited partnership cash or other property (but not services) as capital, who shall be called limited partners and who, except as provided by this Act, shall not be liable for any debts of the limited partnership.

(2) *[repealed]*

(3) *[repealed]*

(4) *[repealed]*

(5) *[repealed]*

[Section 2 repealed and replaced by 1990:59 effective 1 September 1990; amended by 1995:35 effective 14 July 1995; subsection (1) amended by 2005:5 s.2 effective 4 August 2005; subsections (2)-(5) repealed 2005:38 s.3 effective 29 December 2005]

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Particulars of limited partnership

3 The persons forming a limited partnership shall make and severally sign a certificate which shall contain the following particulars, that is to say—

- (a) the name of the limited partnership;
- (b) the names and respective places of residence of the general partners; and
- (c) *[repealed]*
- (d) the address of the registered office, in Bermuda, of the limited partnership.
- (e) *[repealed]*

[Section 3 repealed and replaced by 1990:59 effective 1 September 1990; amended by 1995:35 effective 14 July 1995; amended by 2009:40 s.4 effective 14 September 2009]

Formation of limited partnership

4 (1) A limited partnership shall be deemed to have been formed when—

- (a) the consent of the Authority has been obtained thereto under section 5, where applicable; and
- (b) the certificate specified in section 3 has been registered in the office of the Registrar.

(2) An application for the Authority's consent under section 5 shall be in such form, and be accompanied by such documents, as the Authority may require.

(3) The consent referred to in this section shall include consenting to the persons who are to be the general partners of the limited partnership.

(4) The Registrar shall, in respect of each limited partnership formed under this section, enter in the register—

- (a) the name of the limited partnership;
- (b) the certificate referred to in section 3; and
- (c) the address of the registered office of the limited partnership.

(5) The register of limited partnership, containing the information entered under subsection (4) and such other information as the Registrar may determine, shall be open to public inspection at the office of the Registrar during normal business hours.

[Section 4 repealed and replaced by 1990:59 effective 1 September 1990; subsection (3) repealed by 2005:25 s.3 effective 4 August 2005; subsections (1) and (2) amended and subsection (3) inserted by 2009:40 s.5 effective 14 September 2009; subsection (1)(a) amended by 2012 : 35 s. 67 effective 1 January 2013; subsection (1)(b) amended, and subsections (4) and (5) inserted by 2018 : 51 s. 11 effective 10 August 2018]

Consent of Authority

5 (1) Subject to subsection (1A), the Authority may grant or refuse its consent to an application made to it under section 4(2).

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(1A) Subject to subsection (1B), the consent of the Authority is not required where the partners seeking to form a limited partnership have engaged the services of a corporate service provider that holds an unlimited licence issued under the Corporate Service Provider Business Act 2012.

(1B) Where the general partners of a limited partnership referred to in subsection (1A) appoint any person as a general partner of the limited partnership, the partners shall notify the Authority of the appointment (in such form as the Authority may direct) as soon as practicable, but not later than 14 days after such appointment

(a) *[Repealed by 2017 : 41 s. 17]*

(b) *[Repealed by 2017 : 41 s. 17]*

(2) The Authority shall not be bound to give any reason for a decision under subsection (1), under sections 25(1)(c) and 27(2) and that decision shall not be subject to appeal or review in any court.

(3) *[repealed]*

[Section 5 repealed and replaced by 1990:59 effective 1 September 1990; subsection (3) repealed 2005:38 s.4 effective 29 December 2005; section 5 amended by 2009:40 s.6 effective 14 September 2009; subsection (1) amended, and subsection (1A) inserted by 2012 : 35 s. 67 effective 1 January 2013; subsection (2) amended by 2015 : 20 s. 3 effective 28 December 2015; subsection (1A) amended by 2014 : 3 s. 3 effective 30 June 2016; subsection (1A) amended and subsection (1B) inserted by 2017 : 24 s. 2 effective 25 May 2017; Section 5 subsection (1B) amended by 2017 : 41 s. 17 effective 23 March 2018]

Name and registered office of limited partnership

6 (1) The Registrar may refuse to register a limited partnership if, in the opinion of the Registrar, the name of the limited partnership is undesirable.

(2) The Registrar may, if in his opinion the name is not undesirable, on application by any person intending to form a limited partnership, reserve a name for the exclusive use of the applicant for a period not exceeding three months next after the date of the receipt of such application.

(3) *Repealed*

(4) Every limited partnership shall have and use the words "Limited Partnership" or the abbreviation "L.P." at the end of its name; and those words and that abbreviation may be used interchangeably.

(5) A limited partnership shall, at all times, maintain a registered office, which shall not be a post office box, in Bermuda, to which all communications may be sent.

(6) *Repealed*

[Section 6 repealed and replaced by 1990:59 effective 1 September 1990; and amended by 1998 : 22 effective 24 June 1998]

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Register of limited partners

7 (1) The general partners shall establish and maintain up to date in the registered office of the limited partnership in Bermuda a register of limited partners which shall contain the particulars specified in subsection (2).

(2) The particulars referred to in subsection (1) are—

- (a) the name and address of each limited partner;
- (b) the date a person becomes, and the date, if applicable, he ceases to be, a limited partner;
- (c) *[repealed]*
- (d) *[repealed]*

(3) Where a person ceases to be a limited partner, the particulars specified in subsection (2) in respect of that limited partner shall be maintained on the register of limited partners for a period of not less than six years commencing with the date of such cessation.

(4) A limited partnership the interests in which are traded on an appointed stock exchange or on a market which is supervised by a competent regulatory authority may keep, in any place outside Bermuda, one or more branch registers of limited partners after giving written notice to the Registrar of the place where each such branch register is to be kept.

(5) A branch register shall be kept in the same manner in which the register of limited partners is by subsections (1) and (3) required to be kept.

(6) A limited partnership shall, as soon as reasonably practicable after the date on which an entry or alteration is made in a branch register of limited partners, make any necessary alteration in the register of limited partners.

(7) In this section and in section 1 1—

- (a) “appointed stock exchange” means any stock exchange;

and

- (b) “competent regulatory authority” means any authority,
appointed by the Minister by notice in the Gazette to approve the offering of shares or debentures to the public by companies.

(8) A general partner of the limited partnership who knowingly contravenes, permits or authorizes the contravention of the requirements of subsection (1) shall be liable on summary conviction to a fine of seventy five dollars per day for every day that the limited partnership fails to comply as required.

[Section 7 repealed and replaced by 1990:59 effective 1 September 1990; amended by 1995:35 effective 14 July 1995; subsection (2)(c) substituted, and (2)(d) repealed, by 2005:38 s.5; subsection (2)(c) repealed by 2009:40 s.7 effective 14 September 2009; subsection (8) inserted by 2012 : 27 s. 3 effective 13 July 2012]

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Inspection of register of limited partners

8 (1) Subject to the express terms of the partnership agreement and to such reasonable restrictions as the general partners may impose, the register of limited partners shall, during business hours, be open for inspection by any limited partner without charge.

(2) Subject to the express terms of the partnership agreement and to such reasonable restrictions as the general partners may impose, a limited partner may require a copy of the register of limited partners, or any part thereof, on payment of five dollars or such less sum as the general partners may determine, for every hundred words or fractional part thereof required to be copied.

(3) If an inspection or a copy required by this section is refused, every general partner who is in default shall be liable in respect of each offence to a default fine not exceeding twenty dollars for every day during which the default continues.

(4) In this section and in section 8A the expression "register of limited partners" includes a branch register.

[Section 8 repealed and replaced by 1990:59 effective 1 September 1990; subsection (1) substituted, and (2) amended, by 2005:38 s.6 effective 29 December 2005; subsection (1) repealed and substituted and subsection (2) amended by 2015 : 20 s. 4 effective 28 December 2015]

Power of court to rectify register

8A (1) If default is made or unnecessary delay occurs in entering on the register of limited partners a particular required by section 7, a limited partner may apply to the Court for rectification of the register.

(2) Where an application is made under this section, the Court may either refuse the application or order rectification of the register of limited partners and payment by any partner in default of any damages sustained by the limited partner.

(3) On an application under this section the Court may decide any question necessary or expedient to be decided for rectification or otherwise of the register of limited partners.

(4) The register of limited partners shall be *prima facie* evidence of any matter by this Act required to be inserted therein.

Beneficial ownership register

8AA (1) Pursuant to sections 4M to 4ZE of the Partnership Act 1902, a limited partnership shall keep a beneficial ownership register.

(2) Sections 4M to 4ZE of the Partnership Act 1902 apply with the necessary modifications with respect to the beneficial ownership register required to be kept by a limited partnership.

[Section 8AA inserted by 2018 : 4 s. 6 effective 23 March 2018]

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Change of particulars of limited partnership

8B (1) Subject to the provisions of this section, the partners in a limited partnership may, from time to time, change any of the particulars specified in the certificate referred to in section 3.

(1A) Subject to subsection (7) and unless it is otherwise expressly provided to the contrary in the partnership agreement, a change in a general partner or limited partner of a limited partnership does not dissolve the partnership.

(2) *[Repealed]*

(3) Where a change referred to in subsection (1) is in relation to a change of name of the limited partnership the provisions of section 6(1), (2) and (4) apply with any necessary modifications.

(3A) Subject to subsection (3C), where a change referred to in subsection (1) is in relation to a change of general partners, the Authority's consent to that change shall be obtained by application by the general partners.

(3B) Subject to subsection (3D), the consent of the Authority is not required in relation to a change of general partners where the general partners of a limited partnership have engaged the services of a corporate service provider that holds an unlimited licence issued under the Corporate Service Provider Business Act 2012.

(3C) The consent of the Authority is not required in relation to a change of general partner where such change is to an affiliate of that general partner; provided that, the partnership shall file a written notice of the change of general partner with the Authority as soon as practicable, but not later than 14 days after the date of such change.

(3D) Where, under subsection (3B), the general partners of a limited partnership change any of the general partners of the limited partnership, the partners shall notify the Authority of the change (in such form as the Authority may direct) as soon as practicable, but not later than 14 days after such change

(a) *[Repealed by 2017 : 41 s. 17]*

(b) *[Repealed by 2017 : 41 s. 17]*

(4) The general partners shall, before a change referred to in subsection (1) is made—

(a) make and severally sign a supplementary certificate supplementing, as the circumstances require, the certificate referred to in that subsection; and

(b) deliver the supplementary certificate to the Registrar for registration by him in the register.

(5) Subject to the provisions of this section, a change referred to in subsection (1) is effective on the date of registration of the supplementary certificate by the Registrar under subsection (4)(b).

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(6) The provisions of section 5(1) and (2) shall, *mutatis mutandis*, apply to an application under subsection (3A) of this section as they apply to an application under section 4(2).

(7) Where a change referred to in subsection (3) is made otherwise than in accordance with the provisions of this section, the Minister may petition the Court for the dissolution of the limited partnership.

(8) If the Court, on the hearing of a petition under subsection (7) is satisfied that a general partner or a person duly authorized by the general partners has contravened or caused or permitted the contravention of subsection (3), the Court may—

- (a) make an order for the dissolution of the limited partnership; or
- (b) impose a fine not exceeding seven thousand five hundred dollars on any general partner or duly authorized person, as the case may be, who knowingly and wilfully contravened, or otherwise caused or permitted the contravention of, that subsection; or
- (c) make such order and impose such fine.

[Section 8B amended by 1995:35 effective 14 July 1995; subsection (2) repealed by 2005:25 s.4 effective 4 August 2005; section 8B amended by 2009:40 s.8 effective 14 September 2009; subsection (8)(b) amended by 2011 : 20 s. 5 effective 28 June 2011; subsection (3B) inserted by 2012 : 35 s. 67 effective 1 January 2013; subsection (3A) amended and subsection (3C) inserted by 2015 : 20 s. 5 effective 28 December 2015; subsection (1A) inserted by 2016 : 25 s. 3 effective 22 June 2016; subsection (3B) amended by 2014 : 3 s. 3 effective 30 June 2016; subsection (3B) amended and subsection (3D) inserted by 2017 : 24 s. 2 effective 25 May 2017; Section 8B subsections (3C) and (3D) amended by 2017 : 41 s. 17 effective 23 March 2018]

Management of limited partnership

8C (1) A general partner in a limited partnership shall have all the rights and powers and be subject to all the restrictions and liabilities of a partner in a partnership that is not a limited partnership, except that, without the express prior consent, or the express ratification, in writing, of every other partner, a general partner shall not have authority—

- (a) to admit a person as a general or a limited partner to the limited partnership; or
- (b) to do any act which makes it impossible to carry on the ordinary business of the limited partnership.

(2) A limited partner in a limited partnership shall be liable as a general partner if he takes part in the management of the limited partnership.

(3) For the purposes of subsection (2), a limited partner does not take part in the management of a limited partnership by reason only of the inclusion of the limited partner's name, or any part of it, in the name of the limited partnership or of his—

- (a) being a contractor for, or an agent or employee of, the limited partnership or a general partner;

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- (b) consulting or advising a general partner with respect to the business of the limited partnership including—
 - (i) serving on any board or committee of—
 - (A) the limited partnership;
 - (B) a general partner;
 - (C) the limited partners;
 - (D) the partners or any class or category of those partners; or
 - (E) any person in which the limited partnership has an interest; or
 - (ii) appointing, electing or otherwise participating in the choice of a representative or any other person to serve on any board or committee referred to in subparagraph (i);
 - (bb) taking any actions, or making any decisions, in respect of any investment made by the limited partnership;
 - (c) acting as surety for the limited partnership;
 - (d) approving or disapproving an amendment to the partnership agreement;
 - (e) voting on any of the matters specified in subsection (4); or
 - (f) investigating, approving or being advised as to the financial or business affairs of the limited partnership.
- (4) The matters referred to in subsection (3)(e) are—
- (a) the dissolution or winding up of the limited partnership;
 - (b) the sale, exchange, lease, mortgage, pledge or other transfer of all or substantially all of the assets of the limited partnership otherwise than in the ordinary course of business of the limited partnership;
 - (c) the incurring of indebtedness by the limited partnership otherwise than in the ordinary course of business of the limited partnership;
 - (d) a change in the general nature of the business transacted by the limited partnership; or
 - (e) the removal of a general partner.
- (5) The doing of any other act or thing or the voting on any other matter by a limited partner in relation to a limited partnership shall not, by reason only that such act or thing or such matter is not specified in subsection (3) or (4), be construed as taking part in the management of the limited partnership.
- (6) A partnership agreement may contain provisions for the establishment and regulation of any board or committee of a limited partnership, the limited partners or the partners or any class or category of those partners, or representatives of any of the partners, including—

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- (a) the establishment and constitution of boards or committees;
- (b) the manner and terms of appointment and removal of the members of boards or committees;
- (c) the powers, rights, authorities, obligations and duties of the members of boards or committees; and
- (d) the regulation of the proceedings of boards or committees.

(7) Where a partnership agreement contains provisions as set out in subsection (6) then, subject to the provisions of the partnership agreement, any person duly appointed to be a member of any board or committee in accordance with the terms of those provisions—

- (a) shall, without the requirement for any further action or formalities, be deemed to have notice of, and to have agreed to be bound by, those provisions;
- (b) shall have the rights, and be subject to the obligations, of those provisions as if the person so duly appointed and all existing partners had together duly executed and delivered those provisions of the partnership agreement.

(8) A general partner shall—

- (a) act at all times in good faith; and
- (b) subject to any express provisions of the partnership agreement to the contrary, act in the interests of the limited partnership.

(9) Subject to any express provision of the partnership agreement to the contrary, a limited partner of a limited partnership in that capacity does not owe any fiduciary duty in exercising any of its rights or authorities or otherwise in performing any of its obligations under the partnership agreement to the limited partnership or any other partner.

(10) Subject to any express provision of the partnership agreement to the contrary, a member of any board or committee referred to in subsection (6) does not owe any fiduciary duty in exercising any of its rights or authorities, or otherwise in performing any of its obligations as a member of such board or committee to the limited partnership or any partner.

[Section 8C amended by 1998 : 22 effective 24 June 1998; subsection (3)(b) repealed and substituted and subsections (6) - (10) inserted by 2015 : 20 s. 6 effective 28 December 2015; subsection (3) amended by 2016 : 25 s. 3 effective 22 June 2016]

Limited partner's liability to partnership

8D (1) A limited partner is liable to a limited partnership for the difference, if any, between—

- (a) the value of money and the value of other property actually contributed; and
- (b) the value of money and the value of other property undertaken to be contributed,

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to the limited partnership.

- (2) A limited partner holds as trustee for the limited partnership—
 - (a) specific property stated in the partnership agreement as contributed by him, but which has not in fact been contributed or which has been returned contrary to this Act; and
 - (b) money or other property paid or conveyed to him on account of his contribution to the limited partnership contrary to this Act.
- (3) Where, in accordance with section 11, a limited partner—
 - (a) has received the return of the whole or part of his capital contribution to a limited partnership;
 - (b) has been released from the whole or part of the capital contribution that he has undertaken to make to a limited partnership; or
 - (c) has received such return and been so released in whole or in part,

he is nevertheless, for the period of one year following the date of any such return or release, liable to the limited partnership or, where the limited partnership is dissolved, to its creditors for any amount, not exceeding the amount returned with interest or the value of money or other contribution from which he has been released or the value of both such return and release, necessary to discharge the liabilities of the limited partnership to all creditors who extended credit to the limited partnership or whose claim otherwise arose before the return of the contribution or release or the return and release, as the case may be.

- (4) Where, in violation of section 11, a limited partner—
 - (a) has received the return of the whole or part of his capital contribution to the limited partnership;
 - (b) has been released from the whole or part of the capital contribution that he has undertaken to make to the limited partnership; or
 - (c) has received such return and been so released in whole or in part,

he is, for the period of six years following the date of any such return or release, liable to the limited partnership or, where the limited partnership is dissolved, to its creditors for the amount of the contribution wrongfully returned with interest, or the value of the contribution wrongfully released, or the value of both (as the case may be).

[Section 8D amended by 1998:22 effective 24 June 1998; subsection (1)(b) amended 2005:38 s. 7 effective 29 December 2005]

Liability for false statements in certificates, etc.

8E (1) If a certificate of limited partnership, a supplementary certificate or a certificate of cancellation, contains a false statement and a person who relied on that statement suffers loss, that person may recover damages for that loss from—

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- (a) any person who signed the certificate, or caused another to sign it on his behalf, and knew, and any general partner who knew or should have known, the statement to be false at the time the certificate was signed; and
- (b) any general partner who thereafter knows or should have known that any statement specified in the certificate has changed, making the statement false in any respect within a sufficient time before the statement was relied upon reasonably to have enabled that general partner to cancel or change the certificate, or to file a petition for its change or cancellation under section 8G.

Cancellation of limited partnership

- 8F (1) A certificate of limited partnership shall be cancelled—
- (a) upon the commencement of the winding up of the affairs of a limited partnership consequent on the dissolution of that limited partnership; and
 - (b) at any other time, if there are no limited partners.
- (2) A certificate of cancellation shall, in respect of a limited partnership, specify—
- (a) the name and the date of registration of the limited partnership;
 - (b) that the limited partnership is dissolved or that there are no limited partners, as the case may be; and
 - (c) the effective date of the cancellation (which shall be a date certain) if cancellation is not to be effective upon registration of the certificate by the Registrar under subsection (4).
- (3) A certificate of cancellation shall be signed by at least one general partner.
- (4) The general partners shall, within thirty days after the happening of an event referred to in subsection (1), deliver the certificate of cancellation to the Registrar for registration by him in the register.

Amendment or cancellation by the Court

- 8G (1) If a person required—
- (a) by section 8B(4)(a) to sign a supplementary certificate in respect of a change of particular; or
 - (b) by section 8F(3) to sign a certificate of cancellation,

fails or refuses so to do, any other partner, and any assignee of a partnership interest, who is adversely affected by the failure or refusal, may petition the Court to direct the change or cancellation, as the case may be.

- (2) If the Court finds that it is appropriate that a certificate referred to in subsection (1) should be signed and that a person referred to in that subsection has failed or refused to sign the certificate, the Court shall order the Registrar to enter in the register an appropriate change or cancellation, as the case may be.

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Offences in relation to certificates

8H A person who fails, without reasonable excuse—

- (a) *Repealed*
;
- (b) to sign a certificate of cancellation under section 8F(3); or
- (c) to deliver a certificate of cancellation to the Registrar under section 8F(4),

is guilty of an offence and liable, on summary conviction, to a fine not exceeding five thousand dollars.

[Section 8H para (a) repealed by 2005:25 s.5 effective 4 August 2005]

General partners' liability to account

9 The general partners shall be liable to account to each other, and to the limited partners, for their management of the concern, both at law and in equity, as other partners are now liable.

[Section 9 amended by 1990:59 effective 1 September 1990]

Records of account

9A (1) A limited partnership shall keep proper records of account with respect to its business including, without limiting the generality of the foregoing, records of account with respect to its—

- (a) assets;
- (b) liabilities and capital;
- (c) cash receipts and disbursements;
- (d) purchases and sales; and
- (e) income costs and expenses.

(2) Subject to subsection (3), the records of account shall be kept at the registered office or at such other place as the partners think fit, and shall at all times be open to inspection by the limited partners.

(3) If the records of account are kept at a place outside Bermuda, there shall be kept at the registered office such records of account as will enable the financial position of the partnership, at the end of each three month period, to be ascertained with reasonable accuracy.

(4) Every limited partnership shall retain, for a period of five years from the date on which they were prepared, proper records of account referred to in subsection (1).

(5) If a limited partnership fails to comply with the—

- (a) provisions of subsection (1), (2) or (3), the general partner shall be guilty of an offence and liable on conviction by a court of summary jurisdiction to a fine not exceeding five hundred dollars; or

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- (b) provisions of subsection (5) the general partner shall be guilty of an offence and liable on conviction by a court of summary jurisdiction to a fine of seven thousand five hundred dollars.

(6) If any general partner refuses to make available the records of account for inspection by another partner the Court may, on application by the second mentioned partner, order the general partner so refusing to make the records of account available.

[Section 9A inserted by 2011 : 20 s. 5 effective 28 June 2011]

Keeping of records of account and beneficial ownership register after dissolution

9B (1) When a limited partnership has been dissolved the partner or partners or such other person as may be appointed to wind up the affairs of the limited partnership (the “responsible person”) shall—

- (a) keep the records of account of the limited partnership referred to in section 9A which are in existence at the date of dissolution of the limited partnership, relating to the limited partnership for five years from the end of the period to which such records of account relate;
- (b) keep the beneficial ownership register referred to in section 4R of the Partnership Act 1902 which is in existence at the date of dissolution of the limited partnership for five years from the date of the conclusion of the winding up of the affairs of the limited partnership;
- (c) keep the books and papers of the responsible person relating to the winding up of the affairs of the limited partnership, for five years from the date of the conclusion of the winding up of the affairs of the limited partnership;
- (d) where applicable, keep the records specified in regulation 15 of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 that are in existence at the date of dissolution of the limited partnership in relation to the limited partnership for the period specified in regulation 15.

(2) Where the certificate of a limited partnership is cancelled, the general partners at the date when such certificate is cancelled shall ensure that the beneficial ownership register of the limited partnership referred to in section 4R of the Partnership Act 1902 that is in existence on that date shall be kept for a minimum of five years from the date of the certificate of cancellation.

(3) In this section, “responsible person” means—

- (a) the partner or partners responsible for the winding up of the affairs of the limited partnership; or
- (b) such other person appointed to wind up the affairs of the limited partnership,

and, where the responsible person is a person referred to in paragraph (b), that person, for the purposes of paragraphs (a) to (d) of subsection (1), shall be required to keep, for the

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period specified in each of those paragraphs, the records of account, beneficial ownership register, books, papers and records that have been provided to him.

[Section 9B inserted by 2018 : 4 s. 6 effective 23 March 2018]

Civil and criminal liability of partners

10 Every partner who is guilty of any fraud in the affairs of the partnership—

- (a) shall be liable civilly to the party injured to the extent of his damage; and
- (b) commits an offence against this Act:

Punishment on conviction on indictment: imprisonment for 4 years or a fine of \$10,000 or both such imprisonment and fine.

[Section 10 amended by 1990:59 effective 1 September 1990]

Restriction on reduction of capital

11 (1) Subject to the provisions of this section, no part of the limited partners' capital 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 the withdrawal or payment is to be effected, 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.

(2) For the purposes of determining whether there are reasonable grounds for believing that the partnership is, or after the withdrawal or payment under subsection (1), would be unable to pay its liabilities as they become due all the partners may agree that any liabilities of the limited partnership in respect of the partners shall not be taken into account.

(3) *Repealed*

(4) Subject to agreement between all the partners, a contribution reduction may be made in a limited partnership if the condition under subsection (5) is satisfied.

(5) The condition referred to in subsection (4) is, a contribution reduction under subsection (8)(a) shall not be made otherwise than in the form of a payment of cash unless all the partners otherwise agree.

(6) *Repealed*

(6A) *Repealed*

(7) If a provision of this section is contravened in relation to a limited partnership, every general partner shall be guilty of an offence and shall be liable, upon the contravention being proved in a court of summary jurisdiction, to a fine not exceeding five thousand dollars.

(7A) In this section "the Bermuda Monetary Authority" means the Bermuda Monetary Authority established under section 2 of the Bermuda Monetary Authority Act 1969.

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(8) In this section “contribution reduction”, in relation to a limited partner in a limited partnership means—

- (a) in the case of a limited who has actually made a contribution or part contribution to the capital of the limited partnership, the return to him of such capital contribution or part thereof;
- (b) in the case of a limited partner who has undertaken to contribute to the capital of the limited partnership, a release, in whole or in part, from that undertaking; or
- (c) both such return and release, in whole or in part.

[Section 11 replaced by 1990:59 effective 1 September 1990; amended by 1995:35 effective 14 July 1995; amended throughout by 2005:25 s.6 effective 4 August 2005]

Assignment of limited partner’s interest

12 Subject to the provisions of the partnership agreement, a limited partner may—

- (a) with the consent of the general partners; and
- (b) by instrument in writing signed by the assignor and the assignee,

assign his share or a part thereof, in a limited partnership.

[Section 12 repealed and replaced by 1990:59 effective 1 September 1990]

Restriction on assignment of partnership assets

13 No general assignment by a limited partnership in case of insolvency or insufficiency of assets for the payment of the partnership debts shall be valid without the consent in writing of two-thirds in value of the creditors of the partnership, nor unless it provides for a distribution of the partnership property among all the creditors in proportion to the amount of their several claims, of which notice shall be given in the Gazette; but debts due to the Crown shall first be paid or secured.

Avoidance of assignments and securities in fraud of creditors

14 Every sale, assignment or transfer, of the property or effects of any limited partnership made by such partnership when actually insolvent or bankrupt, or in contemplation of insolvency or bankruptcy, or after or in contemplation of the insolvency or bankruptcy of any partner, with intent to give a preference to any creditor or creditors of such partnership over any other creditor or creditors thereof, and every judgment confessed, lien created, or security given, by such partnership, or any partner thereof, under the like circumstances, and with the like intent, shall be void as against the creditors of such partnership.

Postponement of claims of limited partners in case of bankruptcy to other creditors

15 In case of the insolvency or bankruptcy of the partnership no limited partner shall under any circumstances be allowed to claim as a creditor until the claims of all the other creditors of the partnership are satisfied.

[Section 15 amended by 1990:59 effective 1 September 1990]

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Suits respecting business of limited partnership

16 All suits respecting the business of a limited partnership shall be prosecuted by and against the general partners only, except in those cases where limited partners are held severally responsible.

[Section 16 amended by 1990:59 effective 1 September 1990]

17 *Repealed*

[Section 17 repealed by 1990:59 effective 1 September 1990]

18 *Repealed*

[Section 18 repealed by 1990:59 effective 1 September 1990]

19 *Repealed*

[Section 19 repealed by 1990:59 effective 1 September 1990]

Law as to partnerships to apply where not excluded by this Act

20 Subject to the provisions of this Act, the Partnership Act 1902, and the rules of equity and common law applicable to partnerships (except so far as they are inconsistent with the provisions of that Act), apply to limited partnerships.

[Section 20 repealed and replaced by 2009:40 s.9 effective 14 September 2009]

21 *Repealed*

[Section 21 repealed by 1990:59 effective 1 September 1990]

Registration, etc., of certificates, etc.; evidence

22 (1) The Registrar shall establish and maintain a register in which shall be registered or recorded all certificates and notices required by this Act.

(2) The register shall be open, during office hours, to the inspection of all persons desiring to view the register on payment to the Registrar of the fee of five dollars.

(3) Unless a fee is otherwise provided under subsection (5) or in the First Schedule to the Exempted Partnerships Act 1992, a sum of \$160 shall be paid to the Registrar for registering or recording every certificate or notice, required by this Act.

(4) A certificate of the Registrar certifying that a certificate or notice required by this Act to be registered or recorded by him has been so registered or recorded shall be received in all courts and in all proceedings whatsoever as evidence of the matter to which the certificate relates.

(5) The Minister may in a Schedule to this Act prescribe fees that shall accompany any application for the purposes of this Act.

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(6) The Minister may, by order subject to the affirmative resolution procedure, amend the Schedule to insert new fees or vary or otherwise amend fees.

[Section 22 repealed and replaced by 1990:59 effective 1 September 1990; and amended by 2005:25 effective by 4 August 2005; subsection (5) inserted by 2015 : 20 s. 7 effective 28 December 2015; subsection (3) amended and subsection (6) inserted by 2016 : 25 s. 3 effective 22 June 2016; Section 22 subsection (3) amended by 2018 : 6 s. 3 effective 1 April 2018]

Meaning of “Gazette”

23 For the purposes of this Act “Gazette” includes a newspaper appointed by the Registrar of Companies under section 2(6) of the Companies Act 1981 [*title 17 item 5*].

Restricted and prohibited activities

24 Notwithstanding anything in this Act, sections 4A and 4B, and the Ninth and Tenth Schedules, of the Companies Act 1981 apply to a limited partnership in the same manner as they apply to a company under that Act, with any necessary modifications.

[Section 24 inserted by 2009:40 s.10 effective 14 September 2009]

Registration by way of continuation in Bermuda

25 (1) Any partnership established under the laws of a jurisdiction other than Bermuda (a “foreign partnership”), may—

- (a) upon obtaining all necessary authorizations, if any, required under the laws of such jurisdiction;
- (b) upon effecting such amendments to the partnership agreement as shall be necessary to comply with this Act and the Exempted Partnerships Act 1992, where necessary;
- (c) upon application to the Authority for consent and the payment of such fee as the Minister may prescribe; and
- (d) upon filing the consent of the Authority together with the certificate required by section 4(1) of this Act and section 5(1) of the Exempted Partnerships Act 1992,

be registered under this Act and the Exempted Partnerships Act 1992 and, with effect from the date indicated on the certificate of registration issued by the Registrar pursuant to section 4(1) of this Act, shall be governed thereafter as a limited partnership in accordance with this Act, the Exempted Partnerships Act 1992 and the Partnership Act 1902.

(2) The Authority may grant or refuse consent to an application made under subsection (1).

(3) With effect from the date indicated on the certificate of registration referred to in subsection (1), the limited partnership and the partnership interests of the related parties and their rights and liabilities, as against any person who is not a partner, shall cease to be governed by the laws of such other jurisdiction.

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(4) Upon continuance of a foreign partnership as a limited partnership under this Act as described in subsection (1)—

- (a) the property of the foreign partnership continues to be the property of the limited partnership;
- (b) the limited partnership continues to be liable for the obligations of the foreign partnership;
- (c) any existing cause of action, claim or liability to prosecution in respect of the foreign partnership is unaffected;
- (d) any civil, criminal or administrative action or proceeding pending by or against the foreign partnership may be continued by or against the limited partnership;
- (e) any conviction against, or any ruling, order or judgment in favour of or against the foreign partnership may be enforced by or against the limited partnership.

(5) The rights, privileges, powers and interests in property of the foreign partnership that has continued in Bermuda, shall not be deemed, as a consequence of the continuation, to have been transferred to the limited partnership to which the foreign partnership has continued for any purpose of the laws of Bermuda.

(6) The continuation of a foreign partnership under this section shall not be deemed to—

- (a) create a new legal entity; or
- (b) prejudice or affect the continuity of the body corporate which was formerly the foreign partnership, now a limited partnership continued in Bermuda under this section.

(7) The courts shall apply the laws of evidence and the rules of procedure with the intent that no claimant against the continued foreign partnership shall be prejudiced in pursuing in or under the laws of Bermuda a bona fide claim that existed prior to the date of continuance and which could have been pursued under the laws then governing such foreign partnership.

[Section 25 inserted by 2015 : 20 s. 8 effective 28 December 2015; subsection (1) amended by 2016 : 25 s. 3 effective 22 June 2016]

De-registration by way of continuation

26 (1) Any partnership registered under this Act may—

- (a) upon payment of such fee as the Minister may prescribe;
- (b) upon filing a statement or declaration signed by all the partners confirming the intention to de-register and to continue under the laws of a foreign jurisdiction which is an appointed jurisdiction, and confirming the matters set out in subsection (2),

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be de-registered under this Act with effect from the date indicated on the certificate of de-registration issued by the Registrar, and shall be governed thereafter as a partnership established under the laws of such appointed jurisdiction.

(2) The Registrar shall issue a certificate of de-registration and de-register a partnership if—

- (a) the Registrar is satisfied that the partnership is in good standing with the Registrar and all outstanding fees due to be paid in relation to the partnership to the Registrar are paid;
- (b) the partnership has filed with the Registrar the address of the registered office or the principal business address of the partnership in the jurisdiction in which the partnership will continue;
- (c) within thirty days of the issue thereof, a copy of the following has been filed with the Registrar—
 - (i) the instrument of continuance issued to the partnership by the appropriate authority of the appointed jurisdiction into which the partnership has been continued; or
 - (ii) if no such instrument of continuance is issued, such other documentary evidence of such continuance as shall be issued by such appropriate authority;
- (d) a declaration has been signed by a general partner stating that the partnership is solvent and can meet all of its liabilities and obligations and that the de-registration will not adversely affect the interests or rights of bona fide creditors and partners;
- (e) an irrevocable deed poll is executed by the general partner pursuant to which—
 - (i) such partnership and its partners may be served with legal process in Bermuda in any proceedings arising out of actions or omissions of such partnership prior to the de-registration and provision is made for the appointment of a person within Bermuda as agent for such partnership for the service of process for a period of not less than three years from the date of de-registration and for a signed acceptance of the appointment; or
 - (ii) such partnership and its partners may be served with legal process at a specified address in the United Kingdom, the United States of America or any appointed jurisdiction, and whereby such partnership and its partners submit to the non-exclusive jurisdiction of the courts of that country or jurisdiction; and
- (f) at least fourteen days prior to the de-registration such partnership advertises in an appointed newspaper and in a national newspaper in each jurisdiction within which it carried on a substantial part of its business

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activities its intention to de-register under this Act and continue in the named jurisdiction.

(3) With effect from the date indicated on the certificate of de-registration, the limited partnership and the partnership interests of the related parties and their rights and liabilities, as against any person who is not a partner, shall cease to be governed by the laws of Bermuda, save in respect of any act or omission occurring before such date which shall continue to be governed by the laws of Bermuda.

(3A) The date of the de-registration of a partnership pursuant to this section shall be the date that such partnership's continuance in the appointed jurisdiction is effective pursuant to the laws of such other jurisdiction and that date shall be indicated on the certificate of de-registration.

(4) Without prejudice to the generality of subsection (3), such de-registration shall not—

- (a) create a new legal entity;
- (b) prejudice or affect the continuity of the partnership which was formerly a partnership that was subject to this Act;
- (c) affect the property previously acquired by or on behalf of the partnership;
- (d) affect any act or thing done prior to such de-registration or the rights, powers, authorities, functions or obligations of the partnership, any partner or any other person prior thereto; or
- (e) render defective any legal proceedings by or against the partnership or any partner or any other person.

(5) The rights, privileges, powers and interests in property of the limited partnership that has de-registered and continued overseas, shall not be deemed, as a consequence of the de-registration, to have been transferred to the limited partnership so de-registered and continued for any purpose of the laws of Bermuda.

(6) In this section, "certificate of de-registration" means the certificate of de-registration issued by the Registrar pursuant to subsection (2).

[Section 26 inserted by 2015 : 20 s. 8 effective 28 December 2015; subsections (1) and (3) amended and subsections (3A) and (6) inserted by 2016 : 25 s. 3 effective 22 June 2016]

Conversion of limited partnership to exempted company

27 (1) Any partnership established under this Act and the Exempted Partnerships Act 1992 that has elected under section 4A or 4BA of the Partnership Act 1902 to have legal personality may—

- (a) in such manner as may be authorized by its partnership agreement;
- (b) upon payment of such fee as the Minister may prescribe;
- (c) if, at least fourteen days prior to its application under subsection (2), the partnership has advertised in an appointed newspaper and in a national

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newspaper in each jurisdiction within which it carried on a substantial part of its business activities its intention to make the application;

- (d) upon application to the Authority under subsection (2); and
- (e) upon filing the documents required for registration as an exempted company under the Companies Act 1981,

convert to an exempted company and be registered as such under the Companies Act 1981 and, with effect from the date indicated on the certificate of conversion issued by the Registrar pursuant to subsection (6), shall be governed thereafter as an exempted company in accordance with the Companies Act 1981.

(2) An application for the Authority's consent to the conversion by a limited partnership to an exempted company shall be in such form, and be accompanied by the advertisement referred to in subsection (1)(c) and by such documents, as the Authority may require.

(3) An application for conversion to an exempted company in the prescribed form shall be filed with the Authority and shall include—

- (a) the name of the limited partnership;
- (b) the date of the registration of its original certificate of limited partnership pursuant to section 4(1);
- (c) the name of such limited partnership as altered to include the word Limited or its abbreviation Ltd.;
- (d) the future effective date or time (which shall be a date or time certain) of the conversion if it is not to be effective as of the filing date of the certificate required by section 4(1);
- (e) that the conversion has been approved in such manner as may be authorized by the partnership agreement of the limited partnership;
- (f) the memorandum of association of the exempted company;
- (g) the registered office address of the exempted company; and
- (h) confirmation that the partners have approved in writing the form of by-laws of the continuing exempted company which conform to the requirements of the Companies Act 1981 and any other applicable law of Bermuda.

(4) The Authority may grant or refuse consent to an application made under this section.

(5) Not later than six months after the Authority has consented to an application under subsection (4), the partners shall deliver to the Registrar—

- (a) a copy of the application for conversion filed under subsection (2); and
- (b) the consent of the Authority under subsection (4);

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- (c) a declaration signed by a general partner stating that the partnership is solvent and can meet all of its liabilities and obligations and that the conversion will not adversely affect the interests or rights of bona fide creditors and partners; and
 - (d) the certificate required under section 4(1).
- (6) Where the Registrar receives confirmation that the Authority has consented to the conversion, the Registrar shall issue a certificate of conversion which shall specify the date of conversion of the limited partnership to an exempted company.
- (7) Upon conversion of a partnership to an exempted company under this section—
- (a) the property of the partnership so converted continues to be the property of the exempted company;
 - (b) the exempted company continues to be liable for the obligations of the partnership;
 - (c) any existing cause of action, claim or liability to prosecution in respect of the partnership is unaffected;
 - (d) any civil, criminal or administrative action or proceeding pending by or against the partnership may be continued by or against the exempted company; and
 - (e) any conviction against, or any ruling, order or judgment in favour of or against the partnership may be enforced by or against the exempted company.
- (8) The rights, privileges, powers and interests in property of the limited partnership that has converted, shall not be deemed, as a consequence of the conversion, to have been transferred to the exempted company to which the partnership has so converted for any purpose of the laws of Bermuda.
- (9) The conversion of a partnership to an exempted company under this section shall not be deemed to—
- (a) create a new legal entity;
 - (b) require such partnership to wind up its affairs or apply for cancellation under section 8F, and the conversion shall not constitute a dissolution of such partnership; and
 - (c) prejudice or affect the continuity of the body corporate which was formerly a partnership, now converted to an exempted company under this section.

[Section 27 inserted by 2015 : 20 s. 8 effective 28 December 2015; Section 27 subsection (1) amended by 2018 : 6 s. 6 effective 1 April 2018]

Effect of conversion of exempted company to limited partnership

28 (1) An exempted company may convert to a limited partnership with legal personality upon satisfaction of the requirements set out in—

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- (a) section 4A of the Partnership Act 1902; and
- (b) section 132N of the Companies Act 1981.

(2) With effect from the date indicated on the certificate of conversion issued by the Registrar under section 132N(7) of the Companies Act 1981, the exempted company shall be governed thereafter as a partnership in accordance with this Act, the Exempted Partnerships Act 1992 and the Partnership Act 1902.

(3) For any exempted company so converted, the certificate of conversion shall be deemed to be the certificate of registration for the purposes of section 4 of this Act.

[Section 28 inserted by 2015 : 20 s. 8 effective 28 December 2015]

Effect of conversion of exempted LLC to limited partnership

29 (1) An exempted LLC may convert to a partnership that is both exempted and limited with legal personality upon satisfaction of the requirements set out in—

- (a) section 4A of the Partnership Act 1902; and
- (b) section 102 of the Limited Liability Company Act 2016.

(2) The effective date of the conversion of an exempted LLC to a partnership shall be the date of filing with the Registrar of the certificate of conversion or any later date or time (which shall be a date or time certain) specified in the certificate of conversion.

(3) With effect from the date indicated on the certificate of conversion filed with the Registrar under section 102 of the Limited Liability Company Act 2016, the exempted LLC shall be governed as a partnership in accordance with this Act.

(4) For any exempted LLC so converted, the certificate of conversion shall be deemed to be the certificate of registration for the purposes of section 4 of this Act.

(5) *[repealed]*

[Section 29 inserted by 2016 : 40 s. 258 effective 1 October 2016; subsection (5) repealed by BR 46 / 2017 para. 3 effective 10 May 2017]

Conversion of exempted limited partnership to exempted LLC

30. (1) A partnership that is both exempted and limited and that has elected to have legal personality pursuant to the Partnership Act 1902, may convert to an exempted LLC upon satisfaction of the requirements set out in section 103 of the Limited Liability Company Act 2016.

(2) The effective date of the conversion of an exempted limited partnership to an exempted LLC shall be the date of filing with the Registrar of the certificate of conversion or any later date or time (which shall be a date or time certain) specified in the certificate of conversion.

(3) With effect from the date indicated on the certificate of conversion filed with the Registrar under section 103 of the Limited Liability Company Act 2016, the exempted

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limited partnership shall be governed as an exempted LLC in accordance with the Limited Liability Company Act 2016.

[Section 30F inserted by BR 46 / 2017 para. 3 effective 10 May 2017]

[Assent Date: 18 December 1883]

[Amended by:

1949 : 26
1951 : 93
1952 : 11
1966 : 56
1981 : 59
1990 : 59
1995 : 35
1998 : 22
2005 : 25
2005 : 38
2009 : 40
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2011 : 20
2012 : 27
2012 : 35
2015 : 20
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2014 : 3
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2020 : 52]