

Limited partnerships – a comparison

This matrix has been prepared to provide a comparison of the laws of the British Virgin Islands (BVI), the Cayman Islands, Guernsey and Jersey as at its date of publication. It is for general information only and is not intended to, and does not, constitute legal, financial or other advice upon which you may act or rely and does not constitute an offer to provide such advice. We recommend that anyone considering a BVI, Cayman, Guernsey or Jersey partnership takes specific legal advice

	BVI	Cayman	Guernsey	Jersey
1. Introduction				
What is a limited partnership?	A limited partnership is a partnership between one or more general partners (who manage the limited partnership) and one or more limited partners (who are usually passive investors with no involvement in the day to day management of the limited partnership)			
What is the key piece of legislation governing limited partnerships?	<p>The Limited Partnership Act 2017 (the LP Act)</p> <p>Note: The Partnership Act, 1996 (the 1996 Act) applies to a limited partnership formed under the 1996 Act until:</p> <ul style="list-style-type: none"> it applies to be re-registered as a limited partnership under the LP Act, or it is automatically re-registered under the LP Act (which would be in January 2028, with a further two year period in which to adopt an LPA (defined below)) <p>No new limited partnerships may be formed under the 1996 Act</p> <p>The remainder of the BVI section of this comparison matrix concentrates on limited partnerships formed under the LP Act</p>	<p>The Partnership Act (2013 Revision) and the Exempted Limited Partnership Act (2018 Revision) (the ELP Act)</p> <p>Almost invariably a Cayman Islands limited partnership will be registered as an exempted limited partnership (ELP) under the ELP Act</p> <p>Accordingly, the references in the rest of this column of the matrix relate to ELPs</p>	<p>The Limited Partnerships (Guernsey) Law, 1995 (the LP Law)</p>	<p>The Limited Partnerships (Jersey) Law 1994</p>
Does a limited partnership have separate legal personality?	<p>A limited partnership has a separate legal personality (that is not a body corporate) unless its general partner(s) elects for it not to have separate legal personality</p> <p>If the limited partnership is to have no separate legal personality, the general</p>	<p>No. A limited partnership does not have separate legal personality</p> <p>All letters, contracts, deeds, instruments or documents must be entered into by or on behalf of the general partner(s) on behalf of the ELP</p>	<p>A limited partnership can elect to have a separate legal personality and absent of such election the limited partnership will not have a separate legal personality</p> <p>If the limited partnership is to have a separate legal personality, the general</p>	<p>No. A limited partnership is not a legal person</p> <p>It is however possible to establish two other types of limited partnership:</p> <ul style="list-style-type: none"> a separate limited partnership - this is a legal person but not a body corporate

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Does a limited partnership have separate legal personality? <i>continued</i>	partner(s) must elect that it does so on registration of the limited partnership The election is irrevocable and failure to make an election is final	The assets of the partnership are held or deemed to be held by the general partner(s) on statutory trust as an asset of the ELP	partner(s) must elect that it does so on registration of the limited partnership, and the election is irrevocable	<ul style="list-style-type: none"> an incorporated limited partnership - this is a legal person and a body corporate
What is the liability of the general partner(s) and limited partner(s) for the debts of the limited partnership?	<p>Unless the LPA provides otherwise, the general partner(s) is liable for any debts of the limited partnership only to the extent that the limited partnership cannot pay those debts</p> <p>A limited partner is not liable for the debts of the limited partnership beyond the amount of the limited partner's contribution or unpaid commitment to the limited partnership unless it:</p> <ul style="list-style-type: none"> takes part in the management of the limited partnership, or is required to return monies to the limited partnership or perform a released obligation 	<p>In the event that the assets of the ELP are inadequate to satisfy the claims of its creditors, the general partner(s) will be liable for all debts and obligations of the ELP</p> <p>The limited partners will not be liable for the debts and obligations of the ELP except as may be provided by the limited partnership agreement (provided they do not take part in the conduct of the business of the ELP - see below)</p>	<p>A general partner has the same liability position as a partner in a non-limited partnership, ie potentially unlimited liability for the debts of the limited partnership</p> <p>A limited partner's liability is limited to the amount which it has contributed or agreed to contribute to the capital of the limited partnership</p>	<p>A general partner has the same liability position as a partner in a non-limited partnership, ie potentially unlimited liability for the debts of the limited partnership</p> <p>A limited partner's liability is limited to the difference (if any) between the amount which it has contributed to the limited partnership and the amount which it has agreed to contribute to the limited partnership</p>
Does a limited partnership have unlimited duration?	Yes, if the LPA provides that this is the case	An ELP can have a fixed term or unlimited duration	If no term is fixed for the duration of the limited partnership, it will be dissolved on the expiration of 30 years beginning on the date of its registration	Yes, provided the limited partnership agreement so provides
What other types of partnership are available?	<p>The 1996 Act applies to an existing local limited partnership or an international limited partnership formed under the 1996 Act before its re-registration under the LP Act</p> <p>No new limited partnerships may be formed under the 1996 Act. General partnerships (formerly partnerships that were not limited partnerships formed under the 1996 Act) have been repealed</p>	Cayman partnerships can either be general partnerships or limited partnerships. As mentioned above a limited partnership will typically be registered as an ELP	<p>A separate limited partnership where an election is made for it to be a separate legal person (see above). If the relevant election is made, it is a separate legal person and a body corporate</p> <p>A general partnership governed by the Partnership (Guernsey) Law, 1995. This is not a legal person</p> <p>A limited liability partnership constituted under the Limited Liability Partnerships (Guernsey) Law, 2013. This is a legal person and a body corporate</p>	<p>A separate limited partnership (see above)</p> <p>An incorporated limited partnership (see above)</p> <p>A general partnership governed by Jersey customary law. This is not a legal person</p> <p>A limited liability partnership governed by the Limited Liability Partnerships (Jersey) Law 2017. This is a legal person but not a body corporate</p>

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What are the potential uses?	Limited partnerships have many potential uses. Their appeal will vary according to the nature of the laws and fiscal regimes of the potential investors' home jurisdictions. Their tax transparency and ease of distribution of profits have made them attractive vehicles for the holding of investments that are speculative in nature. Possible uses for limited partnerships include private equity and venture capital schemes, MBOs and project finance, property development schemes, collective investment funds, tax and financial planning, estate planning and asset protection and bank capital raising			
2. Establishment of a limited partnership				
How is a limited partnership established?	<p>A limited partnership is formed by its proposed BVI registered agent filing with the Registrar of Limited Partnerships (the BVI Registrar) a statement setting out certain prescribed information and paying the required registration fee</p> <p>A limited partnership is formed on the date stated in its certificate of registration issued by the BVI Registrar</p> <p>Depending on the nature of the activities of the limited partnership, it may be necessary to obtain further consents from the BVI Financial Services Commission (the Commission), primarily where the limited partnership forms part of a collective investment scheme, and this would impact on the timing and costs set out below</p>	<p>In order to register a partnership as an ELP, the general partner(s) must submit to the Registrar of Limited Partnerships (the Registrar) in the Cayman Islands a statement setting out certain prescribed information and pay the required registration fee</p> <p>A certificate of registration issued by the Registrar shall be conclusive evidence that the requirements of the ELP Act have been complied with in respect of the formation and registration of an ELP</p>	<p>A limited partnership is established by</p> <ul style="list-style-type: none"> • execution of the limited partnership agreement by the general partner(s) and the limited partner(s) • submission by the general partner(s) to the Guernsey Registry on behalf of HM Greffier (the Greffier) a declaration setting out certain prescribed information and payment of the required registration fee <p>Depending on the nature of the activities of the limited partnership, it may be necessary to obtain further consents from the Guernsey Financial Services Commission, primarily where the limited partnership forms part of a collective investment scheme, and this would impact on the timing and costs set out below</p> <p>A certificate of registration issued by the Greffier shall be conclusive evidence that the requirements of the LP Law have been complied with in respect of the registration of a limited partnership</p>	<p>A limited partnership is established by the filing of the declaration of limited partnership with the Jersey Financial Services Commission (JFSC) and by the limited partnership agreement being executed by the general partner(s) and the limited partner(s). It is necessary to apply to the JFSC for consent to create any partnership interests in the limited partnership</p> <p>Depending on the nature of the activities of the limited partnership, it may be necessary to obtain further consents from the JFSC, primarily where the limited partnership forms part of a collective investment fund, and this would impact on the timing and costs set out below</p>
How long does it take to establish a limited partnership?	Once all relevant information has been collected, a limited partnership can generally be established on a same day basis	Registration and the issue of the certificate of registration generally takes three to five working days but can be expedited by paying an express fee of US\$488 so that the registration and issue of the certificate of registration can be completed within 24 hours	Once all relevant information has been collected, a limited partnership can generally be established within the next business day of receiving instructions	Once all relevant information has been collected, a limited partnership can generally be established on a same day basis

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What are the establishment costs?	The registration fee for establishing a limited partnership is US\$750 Professional adviser fees will also be payable	The initial registration fee for establishing an ELP is US\$1,220 Professional adviser fees will also be payable	The Guernsey Registry charges a registration fee of £350 Professional adviser fees will also be payable	The JFSC charges a fee of £250 (establishment within two business days), £350 (establishment within one business day) or £550 (establishment within two hours) Professional adviser fees will also be payable
What is the main constitutional document of a limited partnership?	The limited partnership agreement (the LPA)			
What is the minimum and maximum number of partners?	A minimum of one limited partner and one general partner There is no maximum for either, but consideration of relevant BVI regulatory consents should be made at the outset If the limited partner(s) and the general partner(s) are the same, the limited partnership must have at least one other partner	At least one general partner and one limited partner. There is no maximum At least one of the general partners has to be either an individual resident in the Cayman Islands, a company incorporated or registered as a foreign company in the Cayman Islands, an ELP, or a registered foreign limited partnership	A minimum of one limited partner and one general partner A person may be both a general partner and a limited partner There is no maximum for either, but consideration of relevant Guernsey regulatory consents should be made at the outset	A minimum of one limited partner and one general partner There is no maximum for either, but consideration of relevant Jersey regulatory consents should be made at the outset
Are there any restrictions on the proposed name of a limited partnership?	The name of the limited partnership must end with the words 'Limited Partnership' or the abbreviation 'LP' or 'L.P.' The use of certain words is restricted. The BVI Registrar may refuse to register a limited partnership if it considers that the name does not comply with the requirements of the LP Act, if it is identical or similar to another limited partnership (including one formed under the 1996 Act) or a BVI company (if such entity has not consented to the use of the name) or it is offensive, objectionable or contrary to public policy or to the public interest	An ELP must contain the words 'Limited Partnership' or the letters 'L.P.' or 'LP' The use of certain words is restricted. The Registrar may decline to register a name which for any reason is calculated or likely to mislead. An ELP may have an additional dual foreign name which either precedes or follows its name	The name of the limited partnership must contain the words 'Limited Partnership' or the abbreviation 'LP' or 'L.P.' Subject to certain exceptions, the name of any limited partner must not be included in the limited partnership's name The Guernsey Registry has a discretion to refuse to register a limited partnership if they believe the name constitutes a criminal offence, it is offensive, misleading or is inappropriate in relation to the limited partnership	The name of the limited partnership must end with the words 'Limited Partnership' or the abbreviation 'LP' or 'L.P.' Subject to certain exceptions, the name of any limited partner must not be included in the limited partnership's name The JFSC has a discretion to refuse to register a limited partnership if they believe the name is misleading or otherwise undesirable and a system has been established by the JFSC for the prior approval of proposed names
Is the holding of a partnership interest certificated?	No. Partnership interests are not generally certificated. The ultimate record of ownership is generally determined by the register of limited partners maintained by the general partner(s) on behalf of the limited partnership. The register is <i>prima facie</i> evidence of the matters stated in it			

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Does the limited partnership appear on a public registry?	Yes. The BVI Registrar maintains a register of limited partnerships registered under the LP Act Only limited information is publicly available (see below)	The Registrar maintains a record of each limited partnership and ELP registered under the ELP Act and all the statements filed in relation to the ELP	Yes. The limited partnership will have a registered name and number. Only limited information is publicly available (see below)	
Are limited partnership records confidential?	The public records of limited partnerships are limited The only document which is publicly available is the limited partnership's registration statement which includes limited information (see above) and, once processed, any notice of change in registered particulars If a charge is created over an asset of the limited partnership and the security taker (or limited partnership) applies to the BVI Registrar to register the charge, particulars of the charge would be available to the public The LPA and the register of limited partners are not filed and are not public documents Subject to the LPA, the register of limited partners is only open to inspection by: <ul style="list-style-type: none"> • all partners of the limited partnership, and • any other person with the consent of the general partner(s) 	On payment of a fee, any person can request a certified copy of the certificate of registration, a certificate of good standing or a copy of an extract from any registered statement filed with the Registrar in relation to the ELP The LPA is not a matter of public record Subject to any express or implied term of the LPA, each limited partner may demand and shall receive from the general partner(s) true and full information regarding the state of the business and financial condition of the ELP	The public records of limited partnerships are limited The only document which is publicly available is the limited partnership's declaration (and, once processed, any amendment of the declaration). The declaration will contain details of the name, address and duration of the limited partnership and the name and address of the general partner(s) (but not the name and address of any limited partner, nor any details as to their capital contributions). The LPA and the register of limited partners are not filed and are not public documents	
What corporate administration support will a limited partnership require?	A BVI registered agent and registered office as a minimum and usually general corporate administration support. If the general partner(s) is a BVI company, then it will require a BVI registered agent and registered office and corporate administration support too	An ELP must have a registered office in the Cayman Islands. If the general partner(s) is a Cayman company, an ELP, a foreign registered company, or a foreign registered partnership, it will also require corporate administration support	A registered office as a minimum and usually general corporate administration support. If the general partner(s) is a Guernsey company, then it will also require corporate administration support	A registered office as a minimum and usually general corporate administration support. If the general partner(s) is a Jersey company, then it will also require corporate administration support

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3. Ongoing requirements				
Does an annual return need to be filed for the limited partnership?	<p>No, assuming that the limited partnership does not have any other BVI regulatory obligations</p> <p>An annual fee of US\$750 is payable to the Commission in respect of the limited partnership</p>	<p>On or before 31 January in each year, an ELP must file with the Registrar a return signed by or on behalf of a general partner certifying that the ELP has, during the prior calendar year, complied with the ELP Act by notifying the Registrar of any changes to the information contained in the original registration statement and has not undertaken business with the public in the Cayman Islands other than as necessary for the carrying on of business outside the Cayman Islands</p> <p>The annual return must also be accompanied by the prescribed annual fee</p> <p>Where the ELP is a licensed or regulated mutual fund the annual fee is US\$1,463</p> <p>Where the ELP is not a licensed or regulated mutual fund the annual fee is US\$2,439. Penalties accrue for late filings</p>	<p>Yes. It relates to the limited partnership having an auditor appointed and keeping accounts, records and other documents over the course of the previous calendar year in accordance with the Limited Partnerships (Guernsey) Law, 1995</p> <p>An annual fee of £500 is payable to the Guernsey Registry in respect of the limited partnership</p>	<p>No</p> <p>An annual fee of £200 is payable to the JFSC in respect of the limited partnership</p>
How does the limited partnership hold assets?	<p>Any asset of a limited partnership with legal personality which is transferred to, vested in or held on behalf of any general partner is held by the general partner(s) as agent of the limited partnership</p> <p>Any asset of a limited partnership without legal personality which is:</p> <ul style="list-style-type: none"> transferred to, vested in or held on behalf of any general partner, or transferred to or vested in the name of the limited partnership <p>is held or deemed to be held by the general partner(s) jointly, on trust as an asset of the limited partnership in accordance with the terms of the LPA</p>	<p>Any rights or property of the ELP will be held or deemed to be held by the general partner(s) on statutory trust as an asset of the ELP in accordance with the terms of the LPA</p>	<p>Any property of the limited partnership will be held or deemed to be held by the general partners jointly on trust as an asset of the limited partnership in accordance with the terms of the partnership</p>	<p>The assets of the limited partnership will generally be held (or deemed to be held) by the general partner(s) (or a nominee on behalf of the general partner(s)) as an asset of the limited partnership in accordance with the LPA</p>

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How do limited partners make their contributions to the limited partnership?	<p>A contribution can be any assets or services but does not include any moneys lent by a limited partner to the limited partnership</p> <p>The contribution required of a limited partner and the limited partner's right to share in the profits and capital of the limited partnership will be as set out in the LPA (or any side agreement)</p>	<p>The definition of contribution under the ELP Act includes cash, property, services or other assets which a partner contributes to the capital of an ELP but does not include any moneys lent by a limited partner to the ELP</p> <p>The contribution required of a limited partner and the limited partner's right to share in the profits and capital of the limited partnership will be as set out in the LPA (or any side agreement)</p>	<p>Any contribution to be made by a limited partner to the limited partnership may be money (in any currency) or property but not of services or loans</p> <p>The contribution required of a limited partner and the limited partner's right to share in the profits and capital of the limited partnership will be as set out in the partnership agreement (or any side agreement)</p> <p>A limited partner may lend money to, borrow money from and enter into transactions with the limited partnership.</p> <p>Any limited partner with a claim against the assets of a limited partnership (other than for return of capital contributions) will rank as a creditor of the limited partnership</p>	<p>Any contribution to be made by a limited partner to the limited partnership may be money (in any currency) or any other property or services</p> <p>The contribution required of a limited partner and the limited partner's right to share in the profits and capital of the limited partnership will be as set out in the partnership agreement (or any side agreement)</p> <p>A limited partner may lend money to, borrow money from and enter into transactions with the limited partnership.</p> <p>Any limited partner with a claim against the assets of a limited partnership (other than for return of capital contributions) will rank as a creditor of the limited partnership</p>
Who is responsible for management of the limited partnership?	<p>The general partner(s) will have responsibility for the day-to-day management of the limited partnership in accordance with the terms of the LPA</p> <p>The general partner(s) will often be (but does not have to be) a BVI company. Any matters can be made subject to limited partner approval if so provided in the LPA</p>	<p>The general partner(s) is responsible for the management of the ELP</p>	<p>The general partner(s) will have responsibility for the day-to-day management of the limited partnership. The general partner(s) will often be (but does not have to be) a Guernsey company. Any matters can be made subject to limited partner approval if so provided in the LPA</p>	<p>The general partner(s) will have responsibility for the day-to-day management of the limited partnership. The general partner(s) will often be (but does not have to be) a Jersey company. Any matters can be made subject to limited partner approval if so provided in the LPA</p>
What duties are owed to the limited partners?	<p>A general partner must act at all times in good faith and, subject to any express provisions to the contrary in the LPA, in the interests of the limited partnership</p>	<p>A general partner must act at all times in good faith and, subject to any express provisions in the LPA to the contrary, in the interests of the ELP</p>	<p>Subject to certain restrictions, the general partner(s) has all the rights and powers and is subject to all the restrictions and liabilities of a partner in a partnership without limited partners. The general partner(s) will owe certain fiduciary duties to the limited partner(s) by virtue of being in a partnership</p>	
Can the limited partners participate in management and decision making processes?	<p>A limited partner is prohibited, when acting as limited partner, from:</p> <ul style="list-style-type: none"> taking part in the management of the limited partnership, or transacting the business of, executing documents for, or otherwise binding the limited partnership 	<p>A limited partner may lose the benefit of limited liability if it engages in the conduct of the business of the partnership with persons who are not partners in the ELP</p> <p>However, the limited partner will only be rendered liable in such circumstances to a person who transacted business with the ELP during the relevant period with actual knowledge of such participation and who</p>	<p>A limited partner of a limited partnership has no authority or power to bind the limited partnership. However, it may be possible for representatives of the investors to be appointed to the board of directors of the general partner(s)</p> <p>A limited partner may lose the benefit of its limited liability protection if:</p>	<p>A limited partner of a limited partnership has no authority or power to bind the limited partnership. However, it may be possible for representatives of the investors to be appointed to the board of directors of the general partner(s)</p> <p>A limited partner may lose the benefit of its limited liability protection if:</p>

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<p>Can the limited partners participate in management and decision making processes? <i>continued</i></p>	<p>A limited partner who takes part in the management of a limited partnership will be liable to the same extent as a general partner, to a person who deals with the limited partnership if, during such time, that person:</p> <ul style="list-style-type: none"> • knew that the limited partner took part in the management of the limited partnership, and • reasonably believed, based on the limited partner's conduct, that the limited partner was a general partner <p>The LP Act provides a number of 'safe harbour' activities which a limited partner may undertake without being deemed to take part in the management of the limited partnership (eg consulting with or advising a general partner regarding the business of the limited partnership, serving on, or appointing a person to serve on, a board or committee of the limited partnership etc)</p> <p>Further details are available on request</p>	<p>then reasonably believed that the limited partner was a general partner</p> <p>The ELP Act provides a number of 'safe harbour' activities which a limited partner may undertake without being deemed to take part in the conduct of the business of the ELP (eg acting as a director of the general partner, consulting and advising a general partner regarding the business of the ELP, appointing a person to serve on a committee of the ELP etc). Further details are available on request</p>	<ul style="list-style-type: none"> • it participates in the conduct or management of the business of the limited partnership, and • if it transacts the business of, signs or executes documents for or otherwise bind the limited partnership. Limited partners are able to undertake a variety of actions in relation to the limited partnership without being deemed to participate in its conduct or management. Further details are available on request 	<ul style="list-style-type: none"> • it participates in the management of the limited partnership in its dealings with persons who are not partners, and • the person with whom the limited partnership transacts has actual knowledge of the participation of the limited partner in the management of the limited partnership and reasonably believed the limited partner to be a general partner. Limited partners are able to undertake a variety of actions in relation to the limited partnership without being deemed to participate in its management <p>Further details are available on request</p>
<p>What rights do the limited partners have?</p>	<p>The LP Act provides limited partners with a number of rights</p> <p>The limited partners will have certain rights under the general partnership law and will also have any rights set out in the LPA</p>	<p>The ELP Act provides limited partners with a number of rights</p> <p>The limited partners will have certain rights under the general partnership law and will also have any rights set out in the LPA</p>	<p>The Limited Partnerships (Guernsey) Law, 1995 provides limited partners with a number of rights</p> <p>The limited partners will have certain rights under the general partnership law and will also have any rights set out in the LPA</p>	<p>The Limited Partnerships (Jersey) Law 1994 provides limited partners with a number of rights</p> <p>The limited partners will have certain rights under the general partnership law and will also have any rights set out in the LPA</p>
<p>How does a limited partnership return cash or assets to its limited partners?</p>	<p>A limited partnership can return cash or assets to its limited partners by a variety of means, including distributions, a release from obligations and returns of contributions, provided the limited partnership will be solvent at the time and immediately following the payment being made or release being effected</p> <p>The LP Act provides a clawback mechanism for a period of six months commencing on</p>	<p>A limited partnership can return cash or assets to its limited partners by a variety of means, including distributions, a release from obligations and returns of contributions</p> <p>The ELP Act provides a clawback mechanism for a period of six months commencing on the date of the relevant payment or release in the event that the ELP was insolvent at the time of the</p>	<p>A limited partnership can return cash or assets to its limited partners by a variety of means, including distributions and returns of contributions. Provided the limited partnership will be solvent after the payment and will remain so for a period of six months, there are no restrictions on these payments under Guernsey law. Any requirements and/or restrictions can be built into the LPA</p>	<p>A limited partnership can return cash or assets to its limited partners by a variety of means, including distributions and returns of capital. Provided the limited partnership will be solvent after the payment and will remain so for a period of six months, there are no restrictions on these payments under Jersey law. Any requirements and/or restrictions can be built into the LPA</p>

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How does a limited partnership return cash or assets to its limited partners? <i>continued</i>	the date of the relevant payment or release if the limited partnership was insolvent immediately following the making of the payment or release, provided that the limited partner knew of the insolvency of the limited partnership	payment or release (including where the payment or release caused the insolvency) provided that the limited partner had actual knowledge of the insolvency of the ELP		
Can a limited partnership borrow, give guarantees and provide security over its assets?	Yes, subject to the terms of the LPA			
Can a limited partner grant security over its partnership interest?	Yes. Subject to the LPA, a limited partner may grant security over the whole or part of its partnership interest to another person partnership but only with the prior or simultaneous written consent of the general partner(s) Written notice of the grant of a security interest must be given by the limited partner or security taker to the limited partnership	Yes. However, subject to the terms of the LPA, no limited partner may grant any security interest over the whole or part of his limited partnership interest without the written consent of the general partner(s)	Yes. A limited partner can grant security over its partnership interest in accordance with the Security Interests (Guernsey) Law, 1993, subject to any restrictions in the LPA	Yes. A limited partner can grant security over its partnership interest in accordance with the Security Interests (Jersey) Law 2012, subject to any restrictions in the LPA
Can additional limited partners be admitted?	Yes, if provided for in the LPA Any additional limited partners should be entered on the register of limited partners	Yes. If provided for in the LPA	An additional limited partner can only be admitted in accordance with the terms of the partnership agreement, by agreement in writing and that additional partner being entered on the register of limited partners	An additional limited partner can only be admitted in accordance with the terms of the partnership agreement and by the additional limited partner being entered in the register of limited partners
Can a limited partner sell or transfer its partnership interest?	Subject to the LPA, a limited partner may assign or transfer all or any part of its partnership interest to another person but only with the prior or simultaneous written consent of the general partner(s)	Subject to the LPA, a limited partner may transfer the whole or any part of his/her limited partnership interest but only with the prior written consent of the general partner(s)	A limited partner can assign its partnership interest, in whole or in part, subject to the terms of the LPA	A limited partner can assign its partnership interest, in whole or in part, if all the partners consent or if the LPA permits it
Must accounting records be maintained by the limited partnership?	Yes. A limited partnership must keep financial records which are sufficient to show and explain its transactions and to disclose with reasonable accuracy at any time the financial position of the limited partnership The accounts may be maintained in any	Yes. A general partner must keep or cause to be kept proper books of account including, where applicable, material underlying documentation The documents must be sufficient to give a true and fair view of the business and financial condition of the ELP and to explain	Yes. A limited partnership must keep accounting records which are sufficient to show and explain its transactions and to disclose with reasonable accuracy the financial position of the limited partnership. The accounts may be maintained in any currency	

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Must accounting records be maintained by the limited partnership? <i>continued</i>	currency	its transactions The books of account must be retained for a minimum of five years from the date on which they were prepared		
Must an auditor be appointed?	No, unless required under the LPA An auditor may be appointed if so desired	No. Unless required under the LPA or where the limited partnership carries on a regulated activity	No, unless: <ul style="list-style-type: none"> required under the LPA required by limited partners whose contribution is greater than 50 per cent of the total contribution of all limited partners or where the limited partnership carries on certain types of financial services businesses An auditor may be appointed if so desired	No, unless required under the LPA. An auditor may be appointed if so desired
Local taxation	Generally, a limited partnership is tax transparent for BVI tax purposes so tax will be assessed on the partners of the limited partnership and no assessment will be made on the limited partnership itself There is no BVI withholding tax on interest payments or distributions No BVI stamp duty is payable on transfers of partnership interests, assuming that the partnership does not hold an interest in land in the BVI	There are no capital gains, income, withholding, estate or inheritance taxes in the Cayman Islands. On application by a general partner an ELP can expect to receive an undertaking from the Governor in Cabinet that no form of taxation will apply to the ELP or to any partner thereof in respect of the operations or assets of the ELP or the partnership interest for a period of up to 50 years from the date the undertaking is given	Generally, a limited partnership is tax transparent for Guernsey tax purposes so tax will be assessed on the partners of the limited partnership and no assessment will be made on the limited partnership itself. There is no Guernsey withholding tax on interest payments or distributions No Guernsey stamp duty is payable on transfers of partnership interests	Generally, a limited partnership is tax transparent for Jersey tax purposes so tax will be assessed on the partners of the limited partnership and no assessment will be made on the limited partnership itself. There is no Jersey withholding tax on interest payments or distributions. No Jersey stamp duty is payable on transfers of partnership interests
4. Dissolution				
How is the limited partnership wound up/dissolved?	A limited partnership terminates and its affairs shall be wound up: <ul style="list-style-type: none"> at a time or on the occurrence of an event specified in the LPA (if any) subject to the LPA, on resolutions passed by: <ul style="list-style-type: none"> all the general partners, and limited partners holding capital 	An ELP shall be voluntarily wound up at the time or upon the occurrence of any event specified in the LPA (if any) and dissolved in accordance with the terms thereof. If no time or event is specified, an ELP 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 LPA	A limited partnership shall be dissolved: <ul style="list-style-type: none"> upon the occurrence of any event specified in the LPA (if any) upon the expiration of its fixed term, unless notice of its continuation is filed with HM Greffier not less than 15 days before if no term is fixed, upon the expiration of 	Dissolution of a limited partnership will be carried out in accordance with the Limited Partnerships (Jersey) Law 1994 and the terms of the LPA. In the event of the dissolution of a limited partnership, its affairs shall be wound up by the general partner(s) If the general partner(s) is a Jersey company and is to be wound up, then it can then be

	BVI	Cayman	Guernsey	Jersey
<p>How is the limited partnership wound up/dissolved? <i>continued</i></p>	<p>contributions in excess of 50 per cent (or such higher percentage as may be stated in the LPA) of the total capital contributions made by all the limited partners</p> <ul style="list-style-type: none"> if there has been no general partner for 90 days (or such shorter period as may be specified in the LPA) if there has been no limited partner for 90 days (or such shorter period as may be specified in the LPA) on the appointment of a liquidator of the limited partnership, or on the limited partnership being struck off the register of limited partnerships on any ground other than non-payment of its annual fee or penalties <p>After the termination of the limited partnership, the general partner(s) may:</p> <ul style="list-style-type: none"> if the limited partnership has no assets and no liabilities, apply to the BVI Registrar to de-register the limited partnership, or if the general partner(s) have passed a solvency resolution, wind up the affairs of the limited partnership and distribute the surplus assets of the limited partnership (or appoint a liquidator (which may be a general partner) to do so), in accordance with the LPA and the LP Act 	<p>Except to the extent that such provisions are not consistent with the ELP Act, the provisions of Part V of the Companies Act (as amended) of the Cayman Islands dealing with liquidations and the Company Winding Up Rules shall be deemed to apply to the winding up and dissolution of an ELP. For voluntary dissolutions in accordance with the LPA and following a vote of the partners as specified above, only certain limited reporting provisions of Part V of the Companies Act (as amended) apply</p>	<p>a period of 30 years beginning on the date of its registration</p> <ul style="list-style-type: none"> upon the written agreement of all partners upon the death, legal incapacity, retirement, resignation, removal, bankruptcy or dissolution of a general partner unless: <ul style="list-style-type: none"> the LPA permits the limited partnership business to be carried on by the remaining general partner(s) another general partner is immediately and validly appointed within a period of 90 days, all remaining partners agree in writing to continuation of the limited partnership business and to the appointment of such additional general partner(s) as necessary order of the Royal Court of Guernsey <p>Dissolution of a limited partnership will be carried out in accordance with the Limited Partnerships (Guernsey) Law, 1995 and the terms of the LPA. In the event of the dissolution of a limited partnership, its affairs shall be wound up by the general partner(s) (unless a liquidator has been appointed by the Royal Court</p> <p>If the general partner(s) is a Guernsey company and is to be wound up, then it can then be wound up via a voluntary winding up (if it is solvent). A voluntary strike off process is also available</p>	<p>wound up via a summary winding up (if it is solvent)</p>

Contacts

To find out more, please get in touch with your usual Mourant contact, or alternatively, a full list of contacts can be found [here](#)