

Transfer by way of continuation out of the Cayman Islands – Exempted limited partnerships

Last reviewed: January 2023

Introduction

The general partner of an exempted limited partnership (**ELP**) registered in the Cayman Islands may apply for the ELP to be deregistered by way of continuation, pursuant to section 43 of the Exempted Limited Partnership Act (the **Act**). An ELP is capable of being deregistered, pursuant to the Act, if:

- it is transferring by way of continuation to a jurisdiction which permits or does not prohibit such a transfer;
- the ELP is in good standing with the Registrar of Exempted Limited Partnerships (the **Registrar**) and all outstanding fees are paid; and
- the Registrar is not aware of any reason of public interest why it should not be deregistered.

CIMA consent

If the ELP is licensed or registered under the Banks and Trust Companies Act, the Companies Management Act, the Insurance Act, the Mutual Funds Act, the Private Funds Act or the Securities Investment Business Act, the consent of the Cayman Islands Monetary Authority (**CIMA**) must be obtained prior to deregistering.

Application process

Upon application for deregistration, the ELP must file the following documents with the Registrar, together with the **deregistration fee** (which is equal to three times the annual fee):

- an **undertaking** that notice of the transfer has been or will be given within 21 days to the secured creditors of the ELP;
- **notices** in relation to:
 - any proposed change of name;
 - any change in the ELP;
 - the proposed address of the registered office provider or agent for service of process in the new jurisdiction;
- a **voluntary declaration or affidavit** signed by an authorised signatory stating the following:
 - no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the ELP in any jurisdiction;
 - no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the ELP, its affairs or its property or any part thereof;
 - no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the ELP are and continue to be suspended or restricted;
 - the ELP is not insolvent;
 - the application for deregistration is *bona fide* and not intended to defraud existing creditors or the limited partners of the ELP;

- any consent or approval to the transfer required by any contract or undertaking entered into or given by the ELP has been obtained, released or waived, as the case may be;
 - the transfer is permitted by and has been approved in accordance with the ELP's partnership agreement;
 - the laws of the relevant jurisdiction with respect to transfer have been or will be complied with; and
 - the ELP will, upon registration under the laws of the new jurisdiction, continue as a partnership, body corporate or other form of entity; and
- a **statement of assets and liabilities** up to the latest practicable date¹ before the voluntary declaration or affidavit.

An authorised signatory who makes such a voluntary declaration or affidavit without reasonable grounds commits an offence, and will be liable on summary conviction to a fine of approximately US\$18,000 and five years' imprisonment.

Deregistration process

The Registrar will grant the deregistration as at the date the documents are filed, provided that all documents are in order, and will usually revert with confirmation within three to five business days of receipt of the documentation. Notice of the deregistration will be posted in the Gazette, detailing the jurisdiction to which the ELP has been continued and the new name of the ELP, if the name has changed.

Upon deregistration, the ELP is continued as a partnership, body corporate or other entity under the law of the relevant jurisdiction in all respects; it is not a new legal entity.

Contacts

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

¹ In practice, this must be within 30 days of submission to Registrar.