

No. 3 of 2023

**VIRGIN ISLANDS
PARTNERSHIP (AMENDMENT) ACT, 2023**

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement
2. Long title amended
3. Section 2 amended
4. Insertion of new Part VI

No. 3 of 2023

**Partnership (Amendment)
Act, 2023**

**Virgin
Islands**

I ASSENT

(Sgd.) John Rankin CMG,

Governor.

20th March, 2023

VIRGIN ISLANDS

No. 3 of 2023

AN ACT TO AMEND THE PARTNERSHIP ACT, REVISED EDITION 2020, AND FOR OTHER MATTERS CONNECTED THEREWITH.

[Gazetted 21st March, 2023]

ENACTED by the Legislature of the Virgin Islands as follows:

Short title and commencement

1. (1) This Act may be cited as the Partnership (Amendment) Act, 2023.

(2) This Act shall come into force on such date as the Minister may, by Notice published in the *Gazette*, appoint.

Long title amended

2. The Partnership Act, Revised Edition 2020 (hereinafter referred to as “the principal Act”), is amended by deleting the long title and substituting it with the following

“AN ACT TO DECLARE AND AMEND THE LAW OF PARTNERSHIP AND TO DECLARE THE LAW RELATING TO LIMITED PARTNERSHIPS.”.

Section 2 amended

3. Section 2 of the principal Act is amended, by inserting the following definitions in their appropriate alphabetical order

““articles” means the articles of partnership of a limited partnership formed under this Act;

“Commission” means the Financial Services Commission established under section 3(1) of the Financial Services Commission Act, Revised Edition 2020;

“general partner”, in relation to a limited partnership, means a partner who is not a limited partner as defined herein;

“general partnership” means any partnership that is not a limited partnership;

“international limited partnership” means the limited partnership referred to in section 49;

“limited partner”, in relation to a limited partnership, means a partner who does not take part in the control of the partnership business and whose liability is limited subject to the provisions of this Act;

“limited partnership” means a partnership formed under Part VI and specifically referred to in section 47;

“local limited partnership” means the limited partnership referred to in section 48;

“memorandum” means the memorandum of partnership of a limited partnership formed under this Act;

“partner”, in relation to a limited partnership, includes a limited partner and a general partner;

“register” means the register referred to in section 54(1);

“Registrar” means the Registrar of Limited Partnerships referred to in section 52;

“substituted limited partner” means a person who, after becoming an assignee of part or all of the interest of a limited partner, is admitted to the limited partnership pursuant to the provisions of its articles or, if the articles are silent on the issue, is admitted with the unanimous consent of the partners.”.

Insertion of new Part VI

4. The principal Act is amended, by inserting after section 46, the following new Part

“PART VI

LIMITED PARTNERSHIPS

Limited Partnership

47. (1) A limited partnership is a partnership formed by two or more persons under this Part which has one or more general partners and one or more limited partners, and a limited partnership may be either a local limited partnership or an international limited partnership.

(2) A body corporate, with or without limited liability, or a partnership may be a general partner or a limited partner of a limited partnership.

(3) Subject to this section and sections 48 to 108, sections 1 to 46 shall apply to a limited partnership.

Local limited partnership

48. A local limited partnership may be established under this Act for any object or purpose not prohibited under this Act or any law for the time being in force in the Territory and subject to

- (a) the conditions, limitations, restrictions and liabilities in its memorandum and articles; and
- (b) section 50(1).

International limited partnership

49. An international limited partnership may be established under this Act for any object or purpose not prohibited under this Act or under any law for the time being in force in the Territory and subject to

- (a) the conditions, limitations, restrictions and liabilities in its memorandum and articles; and
- (b) section 50(1) and (2).

Restrictions on limited partnership

50. (1) A limited partnership shall not carry on

- (a) banking business;
- (b) trust business;
- (c) the business of insurance, reinsurance, insurance agent, insurance adjuster or insurance broker or any other kind of insurance business; or
- (d) the business of company management unless it is licensed or is exempt from being licensed under the Company Management Act, Revised Edition 2020.

(2) An international limited partnership shall not

- (a) carry on business with persons resident in the Territory;
- (b) own an interest in real property situate in the Territory other than a lease referred to in subsection (3)(e).

(3) For the purposes of subsection (2)(a), an international limited partnership shall not be treated as carrying on business with persons resident in the Territory by reason only that

- (a) it transacts banking business in the Territory with or through a bank licensed under the Banks and Trust Companies Act, Revised Edition 2020;
- (b) it makes or maintains professional contact with legal practitioners, accountants, bookkeepers, trust companies, administration companies, investment advisers or other similar persons carrying on business within the Territory;
- (c) it prepares or maintains books and records within the Territory;

- (d) it holds, within the Territory, meetings of its partners;
- (e) it holds a lease of property for use as an office from which to communicate with partners or where books and records of the partnership are prepared or maintained;
- (f) it holds shares, debt obligations or other securities in a company incorporated under the BVI Business Companies Act, Revised Edition 2020; or
- (g) any person resident in the Territory or any company incorporated or registered under the BVI Business Companies Act, Revised Edition 2020, is one of its partners.

(4) Notwithstanding anything to the contrary contained in this Act and in the Company Management Act, Revised Edition 2020, an international limited partnership

- (a) may serve as a general partner of another international limited partnership;
- (b) may hold, within the Territory, meetings of its partners, managers or advisers; and
- (c) shall not be required to hold a licence under the provisions of the Company Management Act, Revised Edition 2020, for the purposes mentioned in paragraphs (a) and (b).

Effect of failure to satisfy the requirements of section 50

51. (1) Where an international limited partnership is formed under this Act without having satisfied the requirements prescribed for an international limited partnership by section 49, or if having satisfied the requirements it subsequently ceases to satisfy the requirements for a continuous period of 30 days, the international limited partnership shall, upon the expiration of the period, notify the Registrar of that fact.

(2) A general partner of an international limited partnership that contravenes subsection (1) commits an offence and shall be liable on summary conviction to a fine of \$100 for each day or part thereof during which the contravention continues.

Registrar of Limited Partnerships

52. The Registrar of Companies appointed pursuant to section 229 of the BVI Business Companies Act, Revised Edition 2020, and the Deputy Registrar and Assistant Registrar of Corporate Affairs so appointed under that section who act under the delegated authority of the Registrar of Corporate Affairs shall be the Registrar of Limited Partnerships.

Procedure for forming a limited partnership

53. (1) Two or more persons desiring to form a limited partnership shall

- (a) execute articles;
 - (b) submit the articles to the registered agent named in the articles; and
 - (c) cause a memorandum to be submitted to the Registrar.
- (2) The memorandum shall include
- (a) the firm-name;
 - (b) the objects and purposes for which the partnership is established;
 - (c) the address of the registered office of the partnership in the Territory;
 - (d) the name and address of the registered agent of the partnership in the Territory;
 - (e) the full name of each of the general partners and their respective addresses;
 - (f) the term, if any, for which the partnership is to exist;
 - (g) a statement that the partnership is limited;
 - (h) a statement that every partner named as a general partner not in the memorandum is a limited partner;
 - (i) in the case of an international limited partnership, a statement that the limited partnership may not carry on the activities set forth in section 50(1) and (2) which shall set forth verbatim the activities described in that section; and
 - (j) such other information, if any, as the registered agent shall be instructed to include in the memorandum by the provisions of the articles.

(3) The memorandum shall be subscribed by the registered agent named in the memorandum in the presence of another person who shall sign his or her name as a witness.

Establishment of registers

54. (1) The Registrar shall establish and maintain in such form as he or she shall determine, a register of limited partnerships in which shall be registered each memorandum submitted pursuant to sections 53 and 57 and all certificates and advertisements required by this Act.

(2) The general partners shall maintain a register of general and limited partners in which shall be entered

- (a) the name and address of each general partner and limited partner;
- (b) the date on which a person became a general partner or limited partner;
- (c) the date on which a person ceased to be a general partner or limited partner;

- (d) particulars of the general partnership interest, if any, of each general partner and limited partner; and
- (e) such other information as may be prescribed.

(3) The general partners shall ensure that the register, or a copy of the register, referred to in subsection (2), is kept at the office of the registered agent.

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

(5) A person may, upon payment of the prescribed fee, inspect, during office hours, the register established and maintained under subsection (1).

(6) A general partner who contravenes subsection (2), (3) or (4) commits an offence and is liable on summary conviction to a fine not exceeding \$10,000.

Certificate of limited partnership

55. (1) Upon payment of the prescribed fee, the Registrar shall register each memorandum of partnership submitted pursuant to section 53 and shall issue a certificate of limited partnership under his hand and seal certifying that the partnership is formed in the Territory as a local limited partnership or an international limited partnership, as the case may be.

(2) Upon the issue by the Registrar of a certificate of limited partnership, the partnership is, from the date shown on the certificate of limited partnership, a limited partnership under the name contained in the memorandum.

(3) A certificate of limited partnership of a limited partnership formed under this Act issued by the Registrar is *prima facie* evidence of compliance with all requirements of this Act with respect to the formation of a limited partnership.

Effect of failure to register

56. A limited partnership shall be registered as such in accordance with section 53 and in default it shall be deemed to be a general partnership and every partner thereof shall be deemed to be a general partner.

Amendment of the memorandum and articles of partnership

57. (1) The memorandum and articles may be amended in such manner as may be set forth in the articles.

(2) Where a change is made or a change occurs in or with respect to any of the details set forth in the memorandum registered with the

Registrar, the limited partnership shall cause a supplementary memorandum to be submitted to the Registrar.

(3) The supplementary memorandum referred to in subsection (2) shall be subscribed by the registered agent named therein in the presence of another person who shall sign his name as a witness.

(4) The Registrar shall, upon payment of the prescribed fee, register in the register each supplementary memorandum submitted pursuant to this section and shall issue a certificate of amendment which shall set forth particulars of the amendment.

Contribution

58. The contribution of a limited partner may be cash, property or services.

Name

59. (1) The name of each limited partnership formed under this Act shall have at its end the words “Limited Partnership” or the abbreviation “L.P.”.

(2) The name of a limited partner shall not appear in the name of a limited partnership, unless

- (a) it is also the name of a general partner; or
- (b) prior to the time when the limited partner became a limited partner, the business had been carried on under a name in which the name of the limited partner appeared.

(3) A limited partner whose name appears in the name of a limited partnership contrary to the provisions of subsection (2) is liable as a general partner to partnership creditors who extend credit to the partnership without actual knowledge that he or she is not a general partner.

(4) No limited partnership shall be formed under the Act under a name that

- (a) is identical with that under which a limited partnership in existence under this Act is formed or a company is incorporated or registered under the BVI Business Companies Act, Revised Edition 2020, or any other enactment under which business entities may be formed or business names registered or so nearly resembles the name as to be calculated to deceive, except where the partnership or company in existence gives its consent; or
- (b) contains the word “Assurance”, “Bank”, “Chartered”, “Cooperative”, “Imperial”, “Insurance”, “Municipal”, “Royal”, “Trust”, “Trustee” or a word or abbreviation conveying a similar meaning, or any other word or abbreviation that, in the opinion of the Registrar, suggests or is calculated to suggest

- (i) the patronage of His Majesty or that of a member of the Royal Family;
- (ii) a connection with His Majesty's Government or a department thereof; or
- (iii) a connection with a municipality or other local authority or with a society or body incorporated by Royal Charter, except with the approval of the Registrar in writing.

(5) A limited partnership may amend its memorandum to change its name.

(6) If a limited partnership formed under a name that

- (a) is identical with a name under which a limited partnership in existence under this Act is formed or under which a company in existence was incorporated or registered under the BVI Business Companies Act, Revised Edition 2020, or
- (b) so nearly resembles the name as to be calculated to deceive,

the Registrar may, without the consent of the limited partnership in existence, give notice to the last registered limited partnership to change its name and if it fails to do so within 60 days from the date of the notice, the Registrar shall amend the memorandum to change its name to such name as the Registrar deems appropriate, and the Registrar shall publish notice of the change in the *Gazette*.

(7) Subject to subsections (4) and (6), where a limited partnership changes its name, the Registrar shall enter the new name on the register and, upon payment of the prescribed fee, shall issue a certificate of amendment which shall set forth particulars of the amendment.

(8) A change of name does not affect any right or obligation of a limited partnership, or render defective any legal proceedings by or against a limited partnership, and all legal proceedings that have been commenced against a limited partnership in its former name may be continued against it in its new name.

Reservation of name

60. (1) Subject to section 59(4), the Registrar may, upon the application of any person and upon payment of the prescribed fee, reserve for a period of ninety days a name for future adoption by a limited partnership under this Act.

(2) Once having reserved a name under subsection (1), the same applicant may, upon payment of the prescribed fee, again reserve the same name for successive 90 periods.

(3) The right to the exclusive use of a reserved name may be transferred to any other person by paying the prescribed fee and by filing with the Registrar a notice of the transfer executed by the applicant for

whom the name was reserved specifying the name to be transferred and the name and address of the transferee.

Liability for false statements in memorandum

61. If a memorandum contains a false statement, one who suffers loss by reliance on such statement may hold liable the general partners and the registered agent who made the statement and who knew or should have known the statement to be false

- (a) at the time the registered agent signed the memorandum; or
- (b) after the memorandum was signed, but within a sufficient time before the statement was relied upon to allow the filing of a supplementary memorandum with the necessary changes.

Liability of limited partner to third parties

62. (1) A limited partner is not liable for the obligations of a limited partnership unless he or she is also a general partner or, in addition to the exercise of his or her rights and powers as a limited partner, he or she participates in the control of the partnership business and, if the limited partner participates in the control of partnership business, he or she is liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner.

(2) A limited partner shall not be deemed to participate in the control of the partnership business within the meaning of subsection (1) by virtue of his or her possessing or, regardless of whether or not the limited partner has the rights or powers, or exercising or attempting to exercise one or more of the following rights or powers having or, regardless of whether or not the limited partner has the rights or powers, acting or attempting to act in one or more of the following capacities

- (a) to be an independent contractor or to transact business with, including being a contractor for, or to be an agent or employee of, the limited partnership or a general partner, or to be a limited partner of a partnership that is a general partner of the limited partnership, or to be a trustee, administrator, executor, custodian or other fiduciary or beneficiary of an estate or trust which is a general partner, or to be a trustee, officer, advisor, stockholder or beneficiary of a business trust which is a general partner or to be a member, manager agent or employee of a limited liability company which is a general partner;
- (b) to consult with or advise a general partner with respect to any matter, including the business of the limited partnership;
- (c) to act as surety, guarantor or endorser for the limited partnership or a general partner, to guarantee or assume one or more obligations of the limited partnership or a general

partner, to borrow money from the limited partnership or a general partner, to lend money to the limited partnership or a general partner, or to provide collateral for the limited partnership or a general partner;

- (d) to call, request, or attend or participate at a meeting of the partners or the limited partners;
- (e) to wind up a limited partnership pursuant to this Act;
- (f) to take any action required or permitted by law to bring, pursue or settle or otherwise terminate a derivative action in the right of the limited partnership;
- (g) to serve on a committee of the limited partnership or the limited partners or to appoint, elect or otherwise participate in the choice of representatives or another person to serve on any such committee, and to act as a member of any such committee directly or by or through any such representatives or other person;
- (h) to act or cause the taking or refraining from the taking of any action, including by proposing, approving, consenting or disapproving by voting or otherwise, with respect to one or more of the following matters
 - (i) the dissolution and winding up of the limited partnership or an election to continue the limited partnership or an election to continue the business of the limited partnership;
 - (ii) the sale, exchange, lease, mortgage, assignment, pledge or other transfer of, or granting of a security interest in, any asset or assets of the limited partnership;
 - (iii) the incurrence, renewal, refinancing or payment or other discharge of indebtedness by the limited partnership;
 - (iv) a change in the nature of the business;
 - (v) the admission, removal or retention of a general partner;
 - (vi) the admission, removal or retention of a limited partner;
 - (vii) a transaction or other matter involving an actual or potential conflict of interest;
 - (viii) an amendment to the memorandum or articles;
 - (ix) the merger or consolidation of a limited partnership;
 - (x) the making of, or calling for, or the making of, other determinations in connection with contributions;
 - (xi) the indemnification of any partner or other person; or

(xii) such other matters as are stated in the memorandum of partnership or in any written agreement;

- (i) to serve on the board of directors or a committee of, to consult with or advise, to be an officer, director, stockholder, partner (other than a general partner or a general partner of the limited partnership), member, manager, trustee, agent or employee of, or to be a fiduciary or contractor for, any person in which the limited partnership has an interest or any person providing management, consulting, advisory, custody or other services or products for, to or on behalf of, or otherwise having a business or other relationship with, the limited partnership or a general partner of the limited partnership; or
- (j) any right or power granted or permitted to limited partners under this Act and not specifically enumerated in this subsection.

(3) The list of powers and capacities set forth in subsection (2) shall not be construed as exclusive or as indicating that any other powers possessed or exercised, or any other capacities held or acted in, by a limited partner shall be sufficient to cause the limited partner to be deemed to take part in the control of the partnership business within the meaning of subsection (1).

(4) This section does not create rights or powers of limited partners, and such rights and powers may be created only by the memorandum and articles, a partnership agreement or any other agreement or in writing, or by other sections of this Act.

(5) A limited partner shall not be deemed to participate in the control of the partnership business within the meaning of subsection (1) by

- (a) his possessing any one or more of the rights or powers set forth in subsection (2) regardless of the nature, extent, scope, or frequency of his or her possession of the rights or powers; or
- (b) his or her exercising or attempting to exercise one or more of the rights or powers set forth in subsection (2) regardless of whether he or she possesses the rights or powers; or
- (c) his or her holding or acting or attempting to act in one or more of the capacities set forth in subsection (2) regardless of whether he or she has the right or power to hold or act in those capacities.

Admission of additional limited partners

63. After the formation of a limited partnership, additional limited partners may be admitted upon making an amendment to the articles.

Rights, powers and liabilities of a general partner

64. A general partner shall have all the rights and powers and be subject to all the restrictions and liabilities of a partner in a partnership without limited partners, except that without the written consent or ratification of the specific act by all the limited partners, a general partner or all the general partners have no authority to do any of the following

- (a) do any act in contravention of the articles;
- (b) do any act which would make it impossible to carry on the ordinary business of the partnership;
- (c) enter a judgment against the partnership;
- (d) possess partnership property, or assign their rights in specific partnership property, for other than a partnership purpose;
- (e) admit a person as a general partner, unless the right so to do is given in the articles;
- (f) admit a person as a limited partner, unless the right so to do is given in the articles; or
- (g) continue the business with partnership property on the death, retirement, bankruptcy or incapacity of a general partner, unless the right so to do is given in the articles.

Rights of limited partner

65. (1) A limited partner shall have the same rights as a general partner to

- (a) inspect at all times and to copy any of the partnership books;
- (b) receive on demand
 - (i) true and full information of all things affecting the partnership; and
 - (ii) a formal account of partnership affairs whenever circumstances render it just and reasonable; and
- (c) subject to any limitation set forth in the articles, apply to the court for an order that the partnership be dissolved and wound up.

(2) A limited partner shall have the right to receive a share of the profits or other compensation by way of income, and to the return of his or her contribution as provided in sections 71 and 78.

Status of person erroneously believing himself to be a limited partner

66. A person who has contributed to the capital of a business conducted by a person or partnership erroneously believing that he or she has become a limited partner in a limited partnership is not, by reason of his or her exercise of the rights of a limited partner, a general partner with the person or in the partnership carrying on the business or bound by the

obligations of such person or partnership if on ascertaining the mistake he or she promptly renounces his or her interest in the profits of the business or other compensation by way of income.

One person both general and limited partner

67. (1) A person may be a general partner and a limited partner in the same partnership at the same time.

(2) A person who is a general partner, and also at the same time a limited partner, shall have all the rights and powers and be subject to all the restrictions of a general partner, except that in respect to his or her contribution, he or she shall have the rights against the other partners which he or she would have had if he or she were not also a general partner.

Loans and other business transactions with limited partner

68. (1) A limited partner may loan money to and transfer other business with the partnership, and, unless he or she is also a general partner, receive on account of resulting claims against the partnership, with general creditors, a pro rata share of the assets.

(2) No limited partner shall, in respect to any such claim

(a) receive or hold as collateral security any partnership property; or

(b) receive from a general partner or the partnership any payment, conveyance or release from liability, if at the time the assets of the partnership are not sufficient to discharge partnership liabilities to persons not claiming as general partners or limited partners.

(3) The receiving of collateral security, payment, conveyance or release in violation of subsection (2) is a fraud on the creditors of the partnership.

Relation of limited partners *inter se*

69. (1) Where there are several limited partners, the partners may agree that one or more of the limited partners shall have a priority over other limited partners as to

(a) the return of their contributions;

(b) their compensation by way of income; or

(c) any other matter.

(2) If such an agreement is made, it shall be stated in the articles, and in the absence of such a statement all the limited partners shall stand upon equal footing in proportion to their respective contributions actually made to the partnership.

Compensation of limited partner

70. A limited partner may receive from the partnership the share of the profits or the compensation by way of income stipulated in the articles,

provided that after the payment is made, whether from the property of the partnership or that of a general partner, the partnership assets are in excess of all liabilities of the partnership except liabilities to limited partners on account of their contributions and to general partners.

Withdrawal or reduction of limited partner's contribution

71. (1) A limited partner shall not receive from a general partner or out of partnership property any part of his contribution until

- (a) all liabilities of the partnership, except liabilities to general partners and to limited partners on account of their contributions, have been paid or there remains property of the partnership sufficient to pay them;
- (b) the consent of all partners is given, unless the return of the contribution may be rightfully demanded under subsection (2); and
- (c) the articles are amended as to set forth the withdrawal or reduction, provided that no amendment is required where the withdrawal or reduction occurs in accordance with the articles.

(2) Subject to the provisions of subsection (1), a limited partner may rightfully demand the return of his or her contribution

- (a) upon the dissolution of the partnership, unless its business is continued pursuant to the exercise by other partners of a right or power set forth in the articles;
- (b) when the time specified in the articles for its return has arrived or the events set forth in the articles on the happening of which its return shall be made has occurred; or
- (c) after he or she has given 6 months' notice in writing to all other partners if no time is specified in the articles either for the return of the contribution or for the dissolution of the partnership and no events are set forth in the articles on the happening of which the return of the contribution shall occur.

(3) In the absence of any statement in the articles to the contrary or the consent of all partners, a limited partner, irrespective of the nature of his or her contribution, has only the right to demand and receive cash in return for his or her contribution.

(4) A limited partner may have the partnership dissolved and its affairs wound up when

- (a) he or she rightfully but unsuccessfully demands the return of his or her contribution; or
- (b) the other liabilities of the partnership have not been paid or the partnership property is insufficient for their payment as required by subsection (1)(a) and the limited partner would otherwise be entitled to the return of his or her contribution.

Liability of limited partner to partnership

72. (1) A limited partner is liable to the partnership
- (a) for the difference between his or her contribution as actually made and that stated in the articles as having been made; and
 - (b) for any unpaid contribution which he or she agreed in the articles to make in the future at the time and on the conditions stated in the articles.

- (2) A limited partner holds as trustee for the partnership
- (a) specific property stated in the articles as contributed by him or her but which was not contributed or which has been wrongfully returned; and
 - (b) money or other property wrongfully paid or conveyed to him or her on account of his or her contribution.

(3) The liabilities of a limited partner as set forth in this section can be waived or compromised only by the consent of all partners, but a waiver or compromise shall not affect the right of a creditor of a partnership who extended credit or whose claim arose before an amendment of the articles to enforce such liabilities.

(4) A limited partner who receives any part of his or her contribution in violation of section 71(1) and who knew at the time of the receipt that the withdrawal or reduction of this contribution violated section 71(1) shall be liable to the limited partnership for the amount of the withdrawal or reduction, and a limited partner who receives any part of his or her contribution in violation of section 71 (1) and who did not know at the time of the receipt that the withdrawal or reduction violated section 71(1) shall not be liable for the amount of the distribution.

(5) Subject to subsection (6), subsection (4) shall not affect any obligation or liability of a limited partner under a partnership agreement or other applicable law for the amount of the withdrawal or deduction received.

(6) Unless otherwise agreed, a limited partner who receives any part of his or her contribution from a limited partnership shall have no liability under this Act or other applicable law for the amount received after the expiration of 3 years from the date of receipt.

Assignment of limited partner's interest

73. (1) Unless otherwise provided in the articles, a limited partner's interest is assignable.

(2) The successor in interest of a limited partner who has died shall have all the rights of an assignee of that limited partner's interest until the successor in interest is admitted as a substituted limited partner.

Admission as a substituted limited partner

74. (1) An assignee has the right to become a substituted limited partner if

- (a) all the partners, except the assignor, consent thereto;
- (b) the assignor, being empowered by the articles gives the assignee that right; or
- (c) the articles condition the admission of the assignee on the prior approval of one or more partners other than the assignor, and such approval is obtained.

(2) An assignee becomes a substituted limited partner upon the execution of the necessary amendment to the articles reflecting such admission or such later date as is set forth in the amendment, provided that where the assignor's identity is set forth in the memorandum such admission shall not become effective until the memorandum shall have been amended in accordance with section 57.

(3) A substituted limited partner has all the rights and powers which were possessed by the assignor and, subject to subsection (4), is subject to all the restrictions and liabilities to which the assignor was subject regardless of whether the substituted limited partner had knowledge of those restrictions and liabilities at the time he or she became a substituted limited partner and regardless of whether those restrictions and liabilities were ascertainable from the articles.

(4) The substitution of an assignee as a limited partner does not release the assignor from liability to the partnership under section 72,

(5) An assignee who does not become a substituted limited partner has no right to require any information or account of the partnership transactions or to inspect the partnership books but is only entitled to receive the share of the profits or other compensation by way of income, or the return of contribution to which the assignor would otherwise be entitled.

Effect of retirement, death, incapacity or bankruptcy of a general partner

75. The retirement, death, incapacity, or bankruptcy or insolvency of a general partner dissolves the partnership, unless the business is continued by the remaining general partners

- (a) under a right so to do stated in the articles; or
- (b) with the consent of all partners.

Death of limited partner

76. (1) On the death of a limited partner his or her executor or administrator shall have all the rights of a limited partner for the purpose of settling his or her estate and such power as the deceased had to constitute his or her assignee a substituted limited partner.

(2) The estate of a deceased limited partner shall be liable for all his or her liabilities as a limited partner.

Rights of creditors of limited partner

77. (1) On due application to a court of competent jurisdiction by any judgment creditor of a limited partner, the court may

- (a) charge the partnership interest of the indebted limited partner with payment of the unsatisfied amount of the judgment debt;
- (b) appoint a receiver of the limited partner's interest in the partnership; and
- (c) make all other orders, directions and inquiries which the circumstances of the case may require.

(2) The interest to be charged pursuant to subsection (1)(a) may be redeemed with the separate property of any general partner but may not be redeemed with partnership property.

(3) The remedies conferred by subsection (1) shall not be deemed exclusive of others which may exist.

Distribution of assets

78. (1) In settling accounts after dissolution, the liabilities of the partnership shall be entitled to payment in the following order

- (a) those to creditors, in the order of priority as provided by law, except those to limited partners on account of their contributions, and to general partners;
- (b) except as otherwise provided in the articles
 - (i) those to limited partners in respect of their share of the profits and other compensation by way of income on their contributions;
 - (ii) those to limited partners in respect of the capital of their contributions;
 - (iii) those to general partners other than for capital and profits;
 - (iv) those to general partners in respect of profits; and
 - (v) those to general partners in respect of capital.

(2) Subject to any provision in the articles, limited partners share in the partnership assets in respect of their claims for capital, and in respect of their claims for profits or for compensation by way of income on their contributions, respectively, in proportion to the amounts of such claims.

Service of notice on partners

79. Any notice, information or written statement required under this Act to be given by a limited partnership formed under this Act to partners must be served

- (a) in the manner prescribed in the articles;

- (b) in the absence of a provision in the articles, by personal service or by mail addressed to each partner at the address shown in the articles.

Service of process, etc. on limited partnership

80. (1) Any summons, notice, order, document, process, information or written statement to be served on a limited partnership formed under this Act may be served by leaving it, or by sending it by registered mail addressed to the limited partnership, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the limited partnership.

(2) Service of any summons, notice, order, document, process, information or written statement to be served on a limited partnership formed under this Act may be proved by showing that the summons, notice, order, document, process, information or written statement

- (a) was mailed in such time as to admit it was delivered in the normal course of delivery, within the period prescribed for service; and
- (b) was correctly addressed and the postage was prepaid.

Books and records

81. (1) A limited partnership shall

- (a) keep such accounts and records as the partners consider necessary or desirable in order to reflect the financial position of the limited partnership;
- (b) keep at the office of its registered agent or at such other place or places, within or outside the Virgin Islands, as the general partners may determine, the financial records and underlying documentation of the limited partnership;
- (c) retain the financial records and underlying documentation for a period of at least 5 years from the date
 - (i) of completion of the transaction to which the financial records and underlying documentation relates; or
 - (ii) the limited partnership terminates the business relationship to which the financial records and underlying documentation relate; and
 - (iii) provide its registered agent without delay any financial records and underlying documentation in respect of the limited partnership that the registered agent requests pursuant to subsection (6).

(2) The financial records and underlying documentation of the limited partnership shall be in such form as

- (a) are sufficient to show and explain the transactions of the limited partnership; and

- (b) will, at any time, enable the financial position of the limited partnership to be determined with reasonable accuracy.
- (3) Where the financial records and underlying documentation of a limited partnership are kept at a place or places other than at the office of the limited partnership's registered agent, the limited partnership shall provide the registered agent with a written
 - (a) record of the physical address of the place at which the financial records and underlying documentation are kept; and
 - (b) record of the name of the person who maintains and controls the limited partnership's financial records and underlying documentation.
- (4) Where the place or places at which the financial records and underlying documentation of the limited partnership, or the name of the person who maintains and controls the limited partnership's financial records and underlying documentation, change, the limited partnership shall, within 14 days of the change, provide
 - (a) its registered agent with the physical address of the new location of the records and underlying documentation; or
 - (b) the name of the new person who maintains and controls the limited partnership's financial records and underlying documentation.
- (5) The registered agent shall keep and maintain a record of the place or places outside the Virgin Islands at which the limited partnership keeps its records and underlying documentation, and such record shall include
 - (a) the name of the limited partnership; and
 - (b) the address of the person who maintains and controls the limited partnership's records and underlying documentation.
- (6) Where a limited partnership is required to provide financial records and underlying documents by the Commission or any other competent authority in the Virgin Islands acting pursuant to the exercise of a power under an enactment, the registered agent shall request from the limited partnership, the required financial records and underlying documentation in respect of the limited partnership.
- (7) For the purposes of this section
 - (a) "business relationship" means a continuing arrangement between a limited partnership and one or more persons with whom the limited partnership engages in business, whether on a one-off, regular or habitual basis; and
 - (b) "financial records and underlying documentation" includes accounts and records (such as invoices, contracts and similar documents) in relation to

- (i) all sums of money received and expended by the limited partnership and the matters in respect of which the receipt and expenditure takes place;
- (ii) all sales and purchases of goods by the limited partnership; and
- (iii) the assets and liabilities of the limited partnership.

(8) Where a limited partnership contravenes the provisions of this section, the limited partnership and each general partner commits an offence and is liable on summary conviction to a fine not exceeding \$50,000.

(9) A registered agent who contravenes subsection (5) or (6) commits an offence and is liable on summary conviction to a fine not exceeding \$50,000.

Registered Office

82. A limited partnership shall at all times have a registered office in the Territory which shall be maintained by the limited partnership or its registered agent.

Register of limited partnership interests

83. (1) Notwithstanding section 81, the general partners of a limited partnership shall maintain or cause to be maintained at the registered office of the limited partnership a register in which shall be recorded the name and address, amount and dates of contributions of each partner and the amount and date of any payment representing a return of any part of any partner's contribution.

- (2) The register referred to in subsection (1) shall
 - (a) be updated within 21 business days of any change in the particulars required to be entered therein;
 - (b) constitute prima facie evidence of the matters which by subsection (1) are directed to be entered therein; and
 - (c) be retained for a period of at least 5 years from the date the limited partnership is dissolved under this Act.

Register of limited partnership interests

84. (1) A limited partnership shall at all times have a registered agent in the Territory.

(2) No person shall be a registered agent of a limited partnership unless he or she is so registered pursuant to the Company Management Act or the Banks and Trust Companies Act, Revised Edition 2020, except that the registered agent of a local limited partnership may be one of its general partners.

Penalty for contravention of sections 82, 83 and 84

85. A general partner of a limited partnership that willfully contravenes section 82, 83 or 84(1) commits an offence and is liable on

summary conviction to a penalty of \$100, and is liable to the same penalty for each day or part thereof during which the contravention continues.

Registered agent desiring to resign

86. (1) Where the registered agent of a limited partnership desires to cease to act as registered agent and is unable to reach an agreement with the limited partnership for which he or she is registered agent concerning his or her replacement, the following provisions apply

- (a) the registered agent shall give not less than 90 days written notice to any partner of the limited partnership of which he or she is the registered agent at the partner's last known address specifying his or her wish to resign as registered agent;
- (b) the registered agent shall submit to the Registrar a copy of the notice;
- (c) if, at the time of expiry of the notice, the limited partnership has not caused to be registered a supplementary memorandum to change its registered agent, the registered agent shall inform the Registrar in writing that the limited partnership has not changed its registered agent whereupon the Registrar shall publish a notice in the *Gazette* that the name of the limited partnership will be struck off the register, unless within 30 days from the date of the publication of the notice in the *Gazette*, there is registered with the Registrar a supplementary memorandum to change its registered agent; and
- (d) if within 30 days from the date of the publication of the notice referred to in paragraph (c) there has not been registered with the Registrar a supplementary memorandum to change the registered agent, the Registrar shall strike the name of the limited partnership off the register and shall publish in the *Gazette* a notice that the name of the limited partnership has been struck off.

(2) Where the licence of a registered agent under the Company Management Act or the Banks and Trust Companies Act, Revised Edition 2020, has been suspended, cancelled or revoked or has not been renewed or has expired

- (a) the Commission shall notify the Registrar forthwith;
- (b) the Registrar shall forthwith send a notice, by registered mail to any partner of the limited partnership whose registered agent's licence has been suspended, cancelled or revoked, has not been renewed or has expired, specifying that unless within 90 days of the date of the notice there is filed with the Registrar a supplementary memorandum to change the limited partnership's registered agent, the name of the limited partnership shall be struck off the register; and
- (c) if, at the expiry of the 90 days specified in paragraph (b) there shall not have been filed a supplementary

memorandum to change the limited partnership's registered agent, the Registrar shall strike the name of the limited partnership off the register and shall publish a notice in the *Gazette* to that effect.

(3) A limited partnership that has been struck off the register under this section remains liable for all claims, debts, liabilities and obligations of the limited partnership, and the striking-off does not affect the liability of any of its partners.

Registration fees

87. A limited partnership the name of which is on the register shall pay to the Registrar the annual fee prescribed in the Financial Services (Limited Partnership Fees) Regulations, 2018 (S. I. 10/2018) and section 116 of the Limited Partnership Act, Revised Edition 2020, shall apply accordingly.

Limited partnership struck off liable for fees, etc.

88. A limited partnership formed under this Act continues to be liable for all fees, licence fees and penalties payable under this Act notwithstanding that the name of the limited partnership has been struck off the Register and all those fees, licence fees and penalties have priority to all other claims against the assets of the limited partnership.

Other fees

89. There shall be paid to the Registrar the fees specified in the Financial Services (Limited Partnership Fees) Regulations, 2018 (S. I. 10/2018) as they correspond to the matters specified in this Part.

Recovery of penalties

90. Any fee payable under this Act which remains unpaid for thirty days following the date on which demand for payment is made by the Registrar is recoverable before a magistrate in civil proceedings by the Registrar as a debt due.

Fees, etc. to be paid into Consolidated Fund

91. All fees, including registration fees and penalties paid to the Registrar pursuant to this Act shall be paid by the Registrar into the Consolidated Fund.

Fees payable to Registrar

92. The Registrar may refuse to take any action required of him or her under this Act for which a fee is prescribed until all requisite fees have been paid.

Exemptions from tax

- 93.** (1) Notwithstanding any provision of the Income Tax Ordinance,
- (a) an international limited partnership formed under this Act,

- (b) all payments made by an international limited partnership to persons who are not resident in the Territory, and
- (c) capital gains realised with respect to any interest in an international limited partnership by persons who are not resident in the Territory,

are exempt from all provisions of the Income Tax Ordinance, Cap. 206.

(2) No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the Territory with respect to any interest in an international limited partnership.

- (3) Notwithstanding any provision of the Stamp Act,
 - (a) all instruments relating to transfers of property to or by an international partnership,
 - (b) all instruments relating to transactions in respect of the interests of an international limited partnership, and
 - (c) all instruments relating to other transactions relating to the business of an international limited partnership,

are exempt from the payment of stamp duty.

Regulations

94. The Cabinet may, acting on the advice of the Commission, make Regulations

- (a) with respect to the duties to be performed by the Registrar under this Act;
- (b) prescribing the place where the office for the registration of limited partnerships is located;
- (c) providing for the conduct and regulation of the registration of limited partnerships under this Act;
- (d) prescribing the fees to be paid in respect of matters arising under or provided for or authorised by this Act;
- (e) prescribing the forms to be used in respect of matters arising under or provided for or authorised by this Act;
- (f) with respect to the conduct, duties and responsibilities of registered agents;
- (g) providing for the restoration of a limited partnership, the name of which has been struck off the register, to the register and the fees applicable thereto; and
- (h) providing for such other matters as are contemplated by or necessary for giving full effect to the provisions of this Act and for its due administration.

Form of certificate

95. Any certificate or other document required to be issued by the Registrar under this Act shall be in such form as the Commission may approve.

Certificate of good standing

96. (1) The Registrar shall, on request by any person, and upon payment of the prescribed fee, issue a certificate of good standing under his or her hand certifying that a limited partnership formed under this Act is of good standing if the Registrar is satisfied that

- (a) the name of the limited partnership is on the register; and
- (b) the limited partnership has paid all fees, licence fees and penalties due and payable.

(2) The Registrar shall state on the certificate of good standing issued under subsection (1) whether any proceedings to strike the name of the limited partnership off the register have been instituted.

(3) The certificate of good standing is *prima facie* evidence of the matters contained therein.

Inspection and copies of documentation

97. (1) Any person may, on payment of the prescribed fee,

- (a) inspect the documents kept by the Registrar pursuant to this Act; and
- (b) require that the Registrar issue
 - (i) a certified copy of the certificate of limited partnership of a limited partnership; or
 - (ii) a certified copy of or extract from any document filed with the Registrar pursuant to this Act.

(2) A certificate of limited partnership or extract from any document filed with the Registrar pursuant to this Act if certified as a true copy under the hand and official seal of the Registrar shall in all legal proceedings, civil or criminal, and in all cases whatsoever, be receivable in evidence in proof of the matters which it states.

Appointment and duties of inspector

98. (1) The Commission, on the application of a limited partnership or of the partners together holding not less than a one fourth interest therein, may appoint one or more inspectors to investigate the affairs of a limited partnership and to report thereon in such manner as the Commission may direct.

(2) The application referred to in subsection (1) shall be supported by such evidence as the Commission may require for the purpose of showing that the applicant has good reason for requiring the investigation, and the expenses of and incidental to such investigation

shall be defrayed by the limited partnership unless the Commission otherwise directs.

(3) A partner or a registered agent of a limited partnership shall produce to an inspector such books or documents as the inspector may require for the purposes of his or her investigation.

(4) A partner or a registered agent of a limited partnership who, in the course of an investigation of the affairs of the limited partnership

(a) refuses to produce any book or document required by the inspector to be produced; or

(b) refuses to answer any question relating to the affairs of the limited partnership,

commits an offence and shall be liable on summary conviction to a fine of \$5,000.

(5) An inspector may take evidence upon oath in investigating the affairs of a limited partnership and for that purpose may administer an oath.

(6) An investigation under this section shall be held in private unless the limited partnership requests that it be held in public.

(7) An inspector investigating the affairs of a limited partnership may from time to time report to the Commission and shall, on completion of the investigation, submit a written report to the Commission.

(8) The Commission may, if it thinks fit

(a) forward a copy of the report to the registered office of the limited partnership;

(b) furnish a copy on request and upon payment of the prescribed fee to

(i) any partner of the limited partnership;

(ii) any person whose conduct is referred to in the report;
or

(iii) any other person whose financial interests appear to the Commission to be affected by the matters dealt with in the report;

(c) cause the report to be printed and published.

(9) If the Commission, after examining a report considers that a limited partnership, a partner, the registered agent or any officer, agent or employee of the limited partnership

(a) has knowingly and willfully done anything in contravention of this Act, the Commission may petition the court for the dissolution of the limited partnership; or

(b) is carrying on its affairs in a manner that is detrimental to its creditors or the public interest, the Commission may require the limited partnership to take such measures as it considers necessary in relation to its affairs.

(10) A copy of the petition referred to in subsection (9) shall be served on the limited partnership at least 7 clear days before the day set by the court for the hearing thereof.

(11) If the court, on the hearing of the petition referred to in subsection (9), is satisfied that the limited partnership, or any officer, agent or employee of the limited partnership has done anything in contravention of the provisions of this Act, the court may

- (a) make an order for the dissolution of the limited partnership;
- (b) impose a fine not exceeding \$5,000 on the limited partnership;
- (c) impose a like fine on any partner or resident agent or any officer, agent or employee of the limited partnership who knowingly and willfully authorised or submitted the contravention; or
- (d) make an order under paragraph (a) and impose a fine under paragraphs (b) and (c).

(12) Any proceedings in connection with the holding of an investigation by an inspector in pursuance of the provisions of this section shall, for the purposes of the Perjury Act, Cap. 54, be deemed to be an enquiry held before a commissioner.

Commission's power to require production of documents

99. (1) The Commission may, at any time, if it thinks there is good reason to do so, require a limited partnership, a partner or the registered agent of a limited partnership to produce at the time and place as may be specified in the directions, to the person specified by the Commission in the directions, the books and documents as may be so specified.

(2) The Commission or the person specified by the Commission in the directions referred to in subsection (1) may take copies of any books and papers produced and require any past or present, partner, registered agent, officer or agent of a limited partnership to provide an explanation of any of them or make a statement in relation to any of them.

(3) A partner, registered agent, officer or agent of a limited partnership who refuses to produce books or papers as required under subsection (1) commits an offence and shall be liable on summary conviction to a fine of \$5,000.

(4) A past or present partner, registered agent, officer or agent of a limited partnership who refuses to provide an explanation or make a statement as required by subsection (2) commits an offence and shall be liable on summary conviction to a fine of \$5,000.

(5) If the requirement to produce books or papers is not complied with, a magistrate may, if satisfied on information on oath laid under the authority of the Commission that there are reasonable grounds for suspecting that there are any books or papers of which production has been required under subsection (1), issue a warrant authorising any member of the Royal Virgin Islands Police Force together with any other persons named in the warrant to enter the premises specified in the warrant, using

such force as is reasonably necessary for the purpose, and to search the premises and take possession of any books or papers appearing to be the books or papers, the production of which have been required under subsection (1) and to take any other steps which may appear necessary for preserving them or preventing interference with them.

(6) A warrant issued under subsection (5) continues in force until the end of one month after the date on which it is issued.

(7) A person who

- (a) obstructs the exercise of a right of entry or search conferred by a warrant issued under this section, or
- (b) obstructs the exercise of a right conferred by a warrant issued under this section to take possession of any books or papers,

commits an offence and shall be liable on summary conviction to a fine of \$5,000.

(8) Any books or papers of which possession is taken under this section may be retained for a period not exceeding 3 months unless within that period there are commenced criminal proceedings to which the books or papers are relevant, in which case, they may be retained until the conclusion of those proceedings.

Privileged information

100. Nothing in sections 98 and 99

- (a) compels the production by any person of any book or document which he or she would, in an action in the High Court, be entitled to refuse to produce on grounds of legal professional privilege;
- (b) authorises the taking of possession of any such book or document which is in the person's possession; or
- (c) requires the disclosure by any person to the Commission or to an inspector appointed by the Commission of information which in an action in the High Court that person would be entitled to refuse to disclose on grounds of legal professional privilege except, if he or she is a legal practitioner, the name and address of his or her client.

Provision for security of information obtained

101. (1) Subject to subsection (2), no information or document which has been obtained under section 99 and which relates to any person shall, without the previous consent in writing of that person, be published or disclosed unless the publication or disclosure is required

- (a) with a view to the institution of or otherwise for the purpose of criminal proceedings;
- (b) for the purpose of the examination of any person by inspectors appointed under section 98 in the course of their investigation;

- (c) for the purposes of proceedings under section 99(3), (4) or (7);
- (d) for the purpose of enabling or assisting an official receiver to discharge his or her functions under the Insolvency Act, Revised Edition 2020, or for the purpose of enabling or assisting a body which is for the time being a recognised professional body for the purposes of any insolvency enactment to discharge its functions as such;
- (e) with a view to the institution, or otherwise for the purpose, of any disciplinary proceedings relating to the exercise by a legal practitioner, auditor, accountant, valuer or actuary of his or her professional duties; or
- (f) for the purpose of enabling or assisting an authority in a country or territory outside the Territory to exercise functions corresponding to those of the Commission under the provisions of the Financial Services Commission Act, Revised Edition 2020.

(2) Any information or document obtained under section 99 may, without the consent of the person to whom it relates, be published or disclosed in accordance with the provisions of section 49A of the Financial Services Commission Act, Revised Edition 2020.

Powers of general partners in the event of dissolution

102. Subject to sections 35(1) and 108, in the event of a dissolution under this Act the general partners may only

- (a) authorise a liquidator, who shall not be a body corporate, to carry on the business of the limited partnership if the liquidator determines that to do so would be necessary or in the best interests of the limited partnership or its creditors; and
- (b) determine to rescind the articles of dissolution as permitted under section 106.

Duties of liquidator

103. (1) A liquidator shall, upon his or her appointment by a limited partnership and upon the commencement of a winding-up, proceed

- (a) to identify all assets of the limited partnership;
- (b) to identify all creditors of and claimants against the limited partnership;
- (c) to pay or provide for the payment of, or to discharge, all claims, debts, liabilities and obligations of the limited partnership;
- (d) to distribute any surplus assets of the limited partnership to the partners in accordance with the actions and transactions of the liquidator;

- (e) to prepare or cause to be prepared a statement of account in respect of the actions and transactions of the liquidator; and
- (f) to send a copy of the statement of account to all partners if so required by the plan of dissolution required by section 105.

Powers of liquidator

104. In order to perform the duties imposed on him or her under section 105, a liquidator has all powers of the general partners including, but not limited to, the power

- (a) to take custody of the assets of the limited partnership and in connection therewith, to register any property of the limited partnership in the name of the liquidator or that of his or her nominee;
- (b) to sell any assets of the limited partnership at public auction or by private sale without any notice;
- (c) to collect the debts and assets due or belonging to the limited partnership;
- (d) to borrow money from any person for any purpose that will facilitate the winding up and dissolution of the limited partnership and to pledge or mortgage any property of the limited partnership as security for any such borrowing;
- (e) to negotiate, compromise and settle any claim, debt, liability or obligation of the limited partnership;
- (f) to prosecute and defend, in the name of the limited partnership or in the name of the liquidator or otherwise, any action or other legal proceedings;
- (g) to retain legal practitioners, accountants and other advisers and appoint agents;
- (h) to carry on the business of the limited partnership, if the liquidator has received authorisation to do so in the plan of liquidation or by the general partners as permitted under section 102, as the liquidator may determine to be necessary or to be in the best interests of the creditors or the partners;
- (i) to execute any contract, agreement or other instrument in the name of the limited partnership or in the name of the liquidator; and
- (j) to make any distribution in money or in other property or partly in each, and if in other property, to allot the property, or an undivided interest therein, in equal or unequal proportions.

(2) Notwithstanding subsection (1)(h), a liquidator shall not, without the permission of the court, carry on for a period in excess of 2 years the business of a limited partnership that is being wound up and dissolved under this Act.

Procedure on winding-up and dissolution

105. (1) The general partners of a limited partnership required or proposing under this Act to wind up and dissolve shall approve a plan of dissolution containing

- (a) a statement of the reason for the winding-up and dissolution;
- (b) a statement that the limited partnership is, and will continue to be, able to discharge or pay or provide for the payment of all claims, debts, liabilities and obligations in full;
- (c) a statement that the winding up will commence on the date when articles of dissolution are submitted to the Registrar or on such date subsequent thereto, not exceeding 30 days, as is stated in the articles of dissolution;
- (d) a statement of the estimated time required to wind up and dissolve the limited partnership;
- (e) a statement as to whether the liquidator is authorised to carry on the business of the limited partnership if the liquidator determines that to do so would be necessary or in the best interests of the limited partnership or creditors;
- (f) a statement of the name and address of each person to be appointed a liquidator and the remuneration proposed to be paid to each liquidator; and
- (g) a statement as to whether the liquidator is required to send to all partners a statement of account prepared or caused to be prepared by the liquidator in respect of his or her actions or transactions.

(2) After approval of the plan of dissolution, articles of dissolution shall be executed by the limited partnership and shall contain

- (a) the plan of dissolution; and
- (b) the manner in which the plan of dissolution was authorised.

(3) The general partners of a limited partnership shall submit articles of dissolution to the Registrar who shall retain and register them and within thirty days immediately following the date on which the articles of dissolution are submitted to the Registrar, the general partners of the limited partnership shall cause to be published, in the *Gazette*, and in a publication of general circulation in the Territory, a notice stating

- (a) that the limited partnership is in dissolution;
- (b) the date of commencement of the dissolution; and
- (c) the names and addresses of the liquidators.

(4) A winding-up and dissolution commences on the date the articles of dissolution are registered if the Registrar or on such date

subsequent thereto, not exceeding 30 days, as is stated in the articles of dissolution.

(5) A liquidator shall, upon completion of a winding-up and dissolution, submit to the Registrar a statement that the winding-up and dissolution has been completed in accordance with this Act and upon receiving the notice, the Registrar shall

- (a) strike the limited partnership off the register; and
- (b) issue a certificate of dissolution under his or her hand and seal certifying that the limited partnership has been dissolved.

(6) Where the Registrar issues a certificate of dissolution in accordance with subsection (5)(b)

- (a) the certificate is prima facie evidence of compliance with all the requirements of this Act in respect of dissolution; and
- (b) the dissolution of the limited partnership is effective from the date of issue of the certificate.

(7) Immediately following the issue by the Registrar of a certificate of dissolution under subsection (5), the liquidator shall cause to be published, in the *Gazette*, and in a publication of general circulation in the Territory, a notice that the limited partnership has been dissolved and has been struck off the register.

(8) A general partner of a limited partnership that contravenes subsection (3) commits an offence and shall be liable on summary conviction to a penalty of one hundred dollars and shall be liable to the same penalty for each day or part thereof during which the contravention continues.

Rescission of Dissolution

106. (1) A limited partnership may, prior to submitting to the Registrar the articles of dissolution specified in section 105(3), rescind the articles of dissolution by notice in writing to the Registrar.

(2) A copy of the notice referred to in subsection (1) shall be submitted to the Registrar who shall retain and register it in the register.

(3) Within 30 days immediately following the date on which the notice referred to in subsection (1) has been submitted to the Registrar, the limited partnership shall cause a notice stating that the limited partnership has rescinded its intention to wind up and dissolve to be published in the *Gazette*, and in a publication of general circulation in the Territory.

Winding-up and dissolution of limited partnership unable to pay claims

107. (1) Where, in the event of a dissolution other than a dissolution by the court

- (a) the general partners of a limited partnership have reason to believe that the limited partnership will not be able to pay

or provide for the payment of or discharge claims, debts, liabilities and obligations of the limited partnership in full, or

- (b) the liquidator after his or her appointment has reason so to believe,

then the general partners or the liquidator, as the case may be, shall immediately give notice of the fact to the Registrar.

(2) Where notice has been given to the Registrar under subsection (1), all winding-up and dissolution proceedings after the notice has been given shall be in accordance with the provisions of the BVI Business Companies Act, Revised Edition 2020, relating to winding-up and dissolution and those provisions shall apply *mutatis mutandis* to the winding-up and dissolution of the limited partnership.

Winding up where dissolution ordered by the court

108. Where dissolution of a limited partnership is ordered by the court under section 37, the court may make such orders and give such directions for the winding-up of the limited partnership as it deems just and equitable in the circumstances.”.

Passed by the House of Assembly this 9th day of March, 2023.

(Sgd.) Corine N. George-Massicote,
Speaker.

(Sgd.) Phyllis Evans,
Clerk of the House of Assembly.