

A BILL

entitled

PARTNERSHIP AND LIMITED LIABILITY COMPANY
(BENEFICIAL OWNERSHIP) AMENDMENT ACT 2017

WHEREAS it is expedient to amend the Limited Partnership Act 1883, the Exempted Partnerships Act 1992 and the Limited Liability Company Act 2016 for the purpose of requiring notification to be made to the Bermuda Monetary Authority with respect to appointments of general partners or admission, in specified circumstances, of members of limited liability companies and to stipulate that such an appointment of general partner or admission of member shall not take effect until the date of receipt of the notification by the Bermuda Monetary Authority;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Limited Partnership Act 1883, the Exempted Partnerships Act 1992 and the Limited Liability Company Act 2016, may be cited as the Partnership and Limited Liability Company (Beneficial Ownership) Amendment Act 2017.

Amends Limited Partnership Act 1883

2 The Limited Partnership Act 1883 is amended—

(a) in section 5(1A), by deleting the word “The” and substituting the words “Subject to subsection (1B), the”;

(b) in section 5, by inserting after subsection (1A) the following new subsection—

“(1B) Where the general partners of a limited partnership referred to in subsection (1A) appoint any person as a general partner of the limited partnership—

(a) the general partners shall notify the Authority forthwith of the appointment made in such form as the Authority may direct; and

PARTNERSHIP AND LIMITED LIABILITY COMPANY(BENEFICIAL OWNERSHIP) AMENDMENT ACT 2017

- (b) such appointment shall not take effect until the date of receipt by the Authority of the notification referred to in paragraph (a).”;
- (c) in section 8B(3B), by deleting the word “The” and substituting the words “Subject to subsection (3D), the”;
- (d) in section 8B, by inserting after subsection (3C) the following new subsection—

“(3D) Where, under subsection (3B), the general partners of a limited partnership change any of the general partners of the limited partnership—

- (a) the general partners shall notify the Authority forthwith of the change made in such form as the Authority may direct; and
- (b) such change shall not take effect until the date of receipt by the Authority of the notification referred to in paragraph (a).”.

Amends Exempted Partnerships Act 1992

3 The Exempted Partnerships Act 1992 is amended—

- (a) in section 8(1A), by deleting the word “The” and substituting the words “Subject to subsection (1B), the”;
- (b) in section 8, by inserting after subsection (1A) the following new subsection—

“(1B) Where the partners of an exempted partnership referred to in subsection (1A) appoint any person as a general partner of the exempted partnership—

- (a) the partners shall notify the Authority forthwith of the appointment made in such form as the Authority may direct; and
- (b) such appointment shall not take effect until the date of receipt by the Authority of the notification referred to in paragraph (a).”;
- (c) in section 13(1A), by deleting the word “The” and substituting the words “Subject to subsection (1C), the”;
- (d) in section 13, by inserting after subsection (1B) the following new subsection—

“(1C) Where, under subsection (1A), the partners of an exempted partnership change any of the general partners of the exempted partnership—

- (a) the partners shall notify the Authority forthwith of the change made in such form as the Authority may direct; and
- (b) such change shall not take effect until the date of receipt by the Authority of the notification referred to in paragraph (a).”.

PARTNERSHIP AND LIMITED LIABILITY COMPANY(BENEFICIAL OWNERSHIP) AMENDMENT ACT 2017

Amends Limited Liability Company Act 2016

4 The Limited Liability Company Act 2016 is amended in section 45—

(a) in subsection (7) by inserting after the words “except that” the words “, subject to subsection (7A),”;

(b) by inserting after subsection (7) the following new subsection—

“(7A) Where, under subsection (7), a limited liability company having its registered office at the registered office of a Licensed Corporate Service Provider issues or transfers LLC interest—

(a) the limited liability company shall notify the Authority forthwith of the issue or transfer of the LLC interest made in such form as the Authority may direct; and

(b) such issue or transfer of LLC interest shall not take effect until the date of receipt by the Authority of the notification referred to in paragraph (a).”.

PARTNERSHIP AND LIMITED LIABILITY COMPANY (BENEFICIAL OWNERSHIP) AMENDMENT ACT 2017

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Limited Partnership Act 1883, the Exempted Partnerships Act 1992 and the Limited Liability Company Act 2016 for the purpose of requiring notification to be made to the BMA with respect to appointments of general partners or admission, in specified circumstances, of members of limited liability companies and to stipulate that such an appointment of general partner or admission of member shall not take effect until the date of receipt of the notification by the BMA.

Clause 1 provides a citation for the Bill.

Clause 2 amends the Limited Partnership Act 1883 in section 5 to insert subsection (1B) and in section 8B to insert subsection (3D) to provide, in both the subsections inserted, that where a limited partnership makes an appointment or change of a general partner, it shall notify the BMA of such appointment or change in such manner as the BMA may direct and that the appointment or change of the general partner shall not take effect until the date of receipt by the BMA of the notification.

Clause 3 amends the Exempted Partnerships Act 1992 in section 8 to insert subsection (1B) and in section 13 to insert subsection (1C) to provide, in both the subsections inserted, that where an exempted partnership makes an appointment or change of a general partner, it shall notify the BMA of such appointment or change in such manner as the BMA may direct and that the appointment or change of the general partner shall not take effect until the date of receipt by the BMA of the notification.

Clause 4 amends the Limited Liability Company Act 2016 in section 45 to insert a subsection (7A) to provide that where a limited liability company having its registered office at the registered office of a Licensed Corporate Service Provider issues or transfers LLC interest, it shall notify the BMA of such issue or transfer in such manner as the BMA may direct and that the issue or transfer of the LLC interest shall not take effect until the date of receipt by the BMA of the notification.