

CAYMAN ISLANDS



Limited Liability Partnership Law, 2017

(Law 13 of 2017)

**BENEFICIAL OWNERSHIP (LIMITED
LIABILITY PARTNERSHIP) (AMENDMENT)
REGULATIONS, 2020**

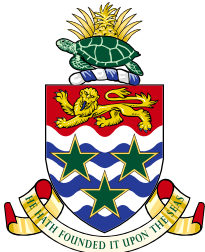
(SL 150 of 2020)

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In exercise of the powers conferred by sections 87 and 95 of the Limited Liability Partnership Law, 2017, the Cabinet makes the following Regulations —

Citation and commencement

1. (1) These Regulations may be cited as the Beneficial Ownership (Limited Liability Partnership) (Amendment) Regulations, 2020.
(2) These Regulations shall come into force immediately after the *Beneficial Ownership (Limited Liability Partnership) Regulations, 2019* come into force.

Amendment of regulation 2 of the Beneficial Ownership (Limited Liability Partnership) Regulations, 2019 - definitions

2. The *Beneficial Ownership (Limited Liability Partnership) Regulations, 2019*, in these Regulations referred to as the “principal Regulations”, are amended in regulation 2 in the definition of “**withdrawal notice**” by deleting the words “limited liability partnership” and substituting the words “corporate services provider”.

Repeal and substitution of regulation 4 - additional matters where there is no registrable beneficial owner or relevant legal entity

3. The principal Regulations are amended by repealing regulation 4 and substituting the following regulation —

“Additional matters where there is no registrable person identified

4. (1) This regulation applies where a limited liability partnership knows or has reasonable cause to believe that there is no registrable person that can be identified in relation to the limited liability partnership.
- (2) The limited liability partnership shall note in its beneficial ownership register the words “no registrable person identified” to show that —
- (a) the limited liability partnership knows or has reasonable cause to believe that there is no registrable person identified in relation to it; or
 - (b) the limited liability partnership has taken reasonable steps to identify all beneficial owners and relevant legal entities and has not, in the course of taking such steps, been able to identify any registrable person.”.

Amendment of regulation 6 - additional matters where a limited liability partnership’s investigations are ongoing

4. The principal Regulations are amended in regulation 6 as follows —
- (a) in paragraph (1) as follows —
 - (i) in paragraph (b), by deleting the word “and” appearing at the end of that paragraph;
 - (ii) in paragraph (c), by deleting the words “liability partnership.” and substituting the words “liability partnership; and”; and
 - (iii) by inserting after paragraph (c), the following paragraph —

“(d) is not exempt under section 52(1) of the Law.”; and
 - (b) by inserting after paragraph (2), the following paragraph —

“(3) If, at any time between —

 - (a) the date of a limited liability partnership’s incorporation or registration by way of continuation under the Law, as applicable; and
 - (b) the date of a limited liability partnership’s dissolution and removal from the register under the Law,

the limited liability partnership’s beneficial ownership register contains the note “enquiries pending” for an uninterrupted period of not less than three calendar months, the fact that the note remains in



the register for that period shall be *prima facie* evidence that a breach of section 60(1) of the Law has occurred.”.

Amendment of regulation 7 - additional matters where there is a failure to comply with a notice given under section 56 or 62 of the Law

5. The principal Regulations are amended in regulation 7 as follows —

- (a) in paragraph (1), by deleting the words “limited liability partnership” and substituting the words “corporate service provider”; and
- (b) in paragraph (2), by deleting the words “limited liability partnership shall note in its” and substituting the words “corporate service provider shall note in the limited liability partnership’s”.

Amendment of regulation 8 - additional matters where a limited liability partnership has issued a restrictions notice

6. The principal Regulations are amended in regulation 8 as follows —

- (a) in the regulation heading, by deleting the words “limited liability partnership” and substituting the words “corporate services provider”;
- (b) in paragraph (1), by deleting the words “limited liability partnership” and substituting the words “corporate services provider”;
- (c) in paragraph (2), by deleting the words “limited liability partnership shall note in its” and substituting the words “corporate services provider shall note in the limited liability partnership’s”;
- (d) in paragraph (3) as follows —
 - (i) by deleting the words “Where the limited liability partnership” and substituting the words “Where the corporate services provider”;
 - (ii) by deleting the words “limited liability partnership shall note in its” and substituting the words “corporate service provider shall note in the limited liability partnership’s”;
- (e) in paragraph (4), by deleting the words “limited liability partnership shall note in its” and substituting the words “corporate service provider shall note in the limited liability partnership’s”.

Amendment of regulation 12 - content of a restrictions notice

7. The principal Regulations are amended in regulation 12 by repealing paragraph (b) and substituting the following paragraph —

“(b) identify the interest in the limited liability partnership that is relevant to the restrictions notice by reference to the partnership interest or right in question;”.

Amendment of regulation 13 - withdrawal of a restrictions notice

8. The principal Regulations are amended in regulation 13 as follows —
- (a) by deleting the words “Where a limited liability partnership” and substituting the words “Where a corporate services provider”;
 - (b) in paragraph (a), by deleting the words “limited liability partnership” and substituting the words “corporate services provider”; and
 - (c) by repealing paragraph (c) and substituting the following paragraph —
 - “(c) identify the interest in the limited liability partnership that is relevant to the restrictions notice by reference to the partnership interest or right in question; and”.

Amendment of regulation 16 - holding an interest in a limited liability partnership indirectly through a legal entity

9. The principal Regulations are amended in regulation 16(1)(b) as follows —
- (a) by deleting the words “regulation 19(3)” and substituting the words “regulation 17(2)”; and
 - (b) in subparagraph (ii), by deleting the words “regulation 19(1)(b) or (2)(b)” and substituting the words “regulation 17(1)(b)”.

Insertion of Part 7 and Schedule - administrative fines and application for an appeal to the competent authority

10. The principal Regulations are amended by inserting after Part 6, the following Part and Schedule —

“Part 7 - Administrative Fines**Definitions in this Part**

29. In this Part —

“**administrative fine notice**” means an administrative fine notice issued by the Registrar under regulation 30 for the imposition of an administrative fine, in accordance with section 88 of the Law, to a person who breaches a provision of Part 8 of the Law that is specified in the Schedule of the Law;

“**applicant**” means a person who appeals against the decision of the Registrar to impose an administrative fine in accordance with section 88 of the Law;

“**original decision**” means the decision of the Registrar to impose the administrative fine specified in an administrative fine notice, in accordance with section 88 of the Law; and



“**review committee**” means a committee appointed by the competent authority under regulation 31(3).

Administrative fine notice

- 30.** (1) The Registrar may impose an administrative fine, which is set out in the Schedule of the Law, in accordance with Part 9 of the Law for a breach of a provision under Part 8 of the Law, by issuing to a person, an administrative fine notice in accordance with paragraphs (2) and (3).
- (2) An administrative fine notice referred to in paragraph (1) shall specify —
- (a) the date on which the notice was issued;
 - (b) the breach for which the fine is imposed and the provision under the Law;
 - (c) details of the breach;
 - (d) the amount of the fine;
 - (e) how payment should be made;
 - (f) the date by which the administrative fine should be paid;
 - (g) the effects of non-payment; and
 - (h) the process for appealing against the decision of the Registrar to impose the administrative fine.
- (3) The Registrar may issue an administrative fine notice under paragraph (2) —
- (a) to an individual, by sending the notice to the most recent email address provided by the individual to the Registrar; or
 - (b) to a body corporate, by sending the notice to the most recent email address provided to the Registrar of —
 - (i) a director or officer of the body corporate; or
 - (ii) its corporate services provider.

Appeal to the competent authority

- 31.** (1) A person who receives an administrative fine notice may, by application, appeal against the decision of the Registrar to impose the administrative fine to the competent authority.
- (2) An application under paragraph (1) shall be made in the form set out in the Schedule, within thirty days from the date of receipt of the administrative fine notice.

- (3) The competent authority shall, on receipt of an application under paragraph (1), appoint a review committee to conduct an inquiry concerning the matters raised in the application under paragraph (1).

Review committee

- 32.** (1) The review committee shall comprise the following officers of the ministry with responsibility for financial services —
 - (a) two persons with knowledge and experience in accounting, financial services, banking or compliance; and
 - (b) an attorney-at-law.
- (2) The competent authority shall not appoint to the review committee, any officer who assisted the Registrar in decision-making regarding the fine.
- (3) Subject to any directions that may be given by the competent authority, the review committee may regulate its own procedure.
- (4) The review committee shall notify the Registrar of an application submitted under regulation 31(1) and the grounds on which the applicant relies and the Registrar may make written representations to the review committee concerning the application, but shall not otherwise participate in any discussion, decision, debate or vote of the review committee concerning the application.
- (5) The competent authority may by notice in writing, require an applicant to provide such documents, statements or any other information as it may reasonably require in the exercise of its functions.
- (6) An applicant who receives a notice under paragraph (5), shall comply with the notice within the period and in the manner specified in the notice.
- (7) The review committee shall upon completing the inquiry, report its findings and recommendations to the competent authority.

Decision by the competent authority

- 33.** (1) The competent authority shall, upon receipt of the report of the review committee, consider and determine the application under regulation 31(1) and may affirm or set aside the original decision.
- (2) The competent authority shall have regard to, but is not bound by, the findings and recommendations of the review committee.
- (3) The competent authority shall, within fifteen working days of receipt of an application under regulation 31(1), give the applicant notice of its decision.



- (4) Where the competent authority affirms the original decision, the notice of the decision on the application shall also state —
 - (a) the reasons for the decision; and
 - (b) that the applicant may apply to the Grand Court for judicial review of the decision.
- (5) Where the competent authority sets aside the original decision, the original decision is deemed never to have been made.

No stay of original decision

- 34.** An appeal under regulation 31 does not stay the operation of the original decision by the Registrar to impose an administrative fine as specified in the administrative fine notice.

Evidentiary provisions

- 35.** (1) The date stated on an administrative fine notice is the date on which the administrative fine is considered imposed for the purpose of section 31(1)(b) of the Law.
- (2) For the purpose of regulation 31(2), where the administrative fine notice is sent to a person by email, the date the email is sent is considered the date of receipt.

SCHEDULE

(regulation 31(2))

APPLICATION FOR AN APPEAL TO THE COMPETENT AUTHORITY

To: The competent authority

At: _____

(The physical address of the competent authority)

OR

If the competent authority accepts the sending of an application under regulation 31 at a particular email address:

(The email address of the competent authority)

TAKE NOTICE that, under regulation 31, the following person applies to the competent authority to appeal against the decision of the Registrar to impose the administrative fine by administrative fine notice received by the person on:

(Here insert date the notice was received and, if two or more administrative fine notices were given on that day. Identify the fine(s) in the administrative fine notice(s) which are the subject of the appeal.)

Applicant's full name: _____

The applicant's physical address is: _____

The applicant's email address for notices from the competent authority to the person is:

Particulars about the application are as follows:

The relevant prescribed provision set out in the administrative fine notice is:

The grounds of appeal on which the person relies are:

The facts and circumstances that the person relies on for the grounds are:



(Here insert the facts and circumstances relied on, including those contended to be different from those set out in the relevant administrative fine notice and any relevant surrounding circumstances.)

Dated _____, 20____.

Signed on behalf of the applicant

Position with the applicant (If the applicant is not an individual)".

Made in Cabinet the 24th day of November, 2020.

Kim Bullings
Clerk of the Cabinet