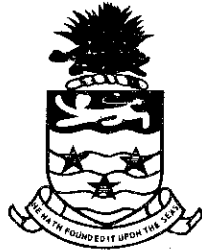


CAYMAN ISLANDS



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**THE LIMITED PARTNERSHIPS LAW**  
**(Revised)**

**CAYMAN ISLANDS**

**THE LIMITED PARTNERSHIPS LAW (R)**

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**SCHEDULE**

CAYMAN ISLANDS

THE LIMITED PARTNERSHIPS LAW

(Cap. 118)

(Revised)

Consolidated with  
Originally enacted Cap 118

Law 31 of 1968

1853

Law 31 of 1968

15th October, 1968

Published in consolidated and revised form this 8th day of May, 1978, by authority of the Law Revision Law (No. 19 of 1975).

Short title.

1. This Law may be cited as the Limited Partnerships Law (Revised).

Limited partnership.

2. Limited partnerships may be established in the Islands for the transaction of any mercantile, mechanical, agricultural, or manufactory business, by two or more persons, upon the terms, with the rights and powers, and subject to the conditions, limitations, restrictions, and liabilities herein mentioned:

Provided that nothing herein contained shall be construed to authorize or empower any such limited partnership to be formed for the purpose of banking or making insurance.

Number denomination and liabilities of partners.

3. Such partnerships may consist of one or more persons, who shall be general partners, subject to the same liabilities and charges, and shall be entitled to the same benefits and advantages, as co-partners are now by law liable to, chargeable with, and entitled to, and of one or more persons who shall contribute, in actual cash payments, a specific sum, as capital, to the common stock, who shall be called special partners, but who shall not be liable for, nor chargeable with, the payment of the debts of the partnership, beyond the extent of the fund so subscribed by him or them to the capital of the co-partnership.

Power of general partners.

4. The general partners only shall have power and authority to transact the business of, and sign for and bind, the partnership.

Persons desirous of forming partnership as general partners to make certificate, Schedule.

5. The persons desirous of forming any such partnership as general partners shall make and severally sign a certificate, in Form I in the Schedule, which shall contain —

- (a) the name or firm under which such partnership is to be conducted;
- (b) the general nature of the business so to be transacted;
- (c) the names of all the general and special partners interested therein, distinguishing which are general and which are special partners, and their respective places of residence;
- (d) the amount of capital which each special partner shall have contributed to the common stock;
- (e) the period at which the partnership is to commence, and the period at which it will terminate.

How certificate to be acknowledged and proved by persons signing same.

6. The certificate mentioned in section 5 may be acknowledged and proved abroad. The certificate shall be acknowledged and proved by the several persons signing the same, whether within the Islands or abroad, before the same persons and subject to the same provisions as is by law provided in the case of deeds to be acknowledged and proved within the Islands or abroad; and such acknowledgment shall be made and certified in the same manner as the

acknowledgment or probate of the execution of a conveyance of land.

Signature by attorney.

7. Where a special partner is absent from the Islands, the certificate shall be signed and acknowledged by his lawful attorney or attorneys duly constituted and appointed either by a special power or by a general power containing a special authority to act in the premises, whether within the Islands or abroad, before the same person and subject to the same provisions as is by law provided in the case of deeds to be acknowledged and proved within the Islands or abroad; and such acknowledgment shall be made and certified in the same manner, and shall have the same validity, as the acknowledgment or probate of the execution of a conveyance of land:

Provided that before the certificate is so signed and acknowledged, the special power or general power of attorney, as the case may be, shall be duly recorded in the office of the Registrar of Companies.

Declaration to be recorded with certificate.

8. With the original certificate with the evidence of the acknowledgment thereof as before directed, shall be recorded a declaration of one or more of the general partners, stating that the sums specified in the certificate to have been contributed by each of the special partners to the common stock have been actually and in good faith paid in cash.

Certificate to be recorded.

9. The certificate so acknowledged and certified shall be filed in the office of the Registrar of Companies and shall also be recorded at large in a separate book to be kept for that purpose, in like manner and at the same rate of charges as the other records in his office, and shall be kept open to public inspection; and a copy certified by the Registrar of Companies shall be evidence in all courts and places of the facts therein contained.

No partnership deemed to have been formed until certificate, etc., made.

10. No such partnership shall be deemed to have been formed under the provisions of this Law until a certificate, probate, and declaration shall have been made, acknowledged, filed, and recorded.

False statements in certificate.

11. If any person shall make any false statement in such certificate or declaration, all the persons interested in such partnership shall be liable for all the engagements thereof as general partners; and the person making the declaration shall be liable to the penalties of wilful and corrupt perjury.

Terms of partnership to be made public.

12. The terms of the partnership, after the certificate, probate, and declaration shall have been so recorded and registered as aforesaid, shall be published on at least one occasion immediately after such recording and registration in the *Gazette*, and in six consecutive weekly publications in a newspaper published in the Islands and designated by the Registrar of Companies in writing under his hand and if such publication be not made the partnership shall be deemed general.

Proof of publication.

13. Such designation and publication may be proved by declaration made before a Justice, and may be lodged with the Registrar of Companies, who shall preserve the same, and shall cause to be noted on the record of the certificate of partnership the fact that due publication has been duly proved, and such declaration or note shall be *prima facie* evidence of such fact.

Provisions as to declarations.

14. Declarations under this Law may be made in the Islands or abroad, by virtue of this Law, before such persons as are authorized to take declarations under the Voluntary Declarations Law (Revised) or any Imperial Statute for the time being in force relating to voluntary or statutory declarations.

Voluntary Declarations Law (Revised).

Renewal, etc., of partnership.

15. Every renewal, alteration, or continuance of the partnership beyond the time originally fixed for its duration, shall be certified, acknowledged, and

recorded, and an affidavit made and filed, and notice given, in the same and like manner as herein required for the original formation of such partnership; and every such partnership which is renewed, altered, or continued without such re-registration shall be deemed and taken to be a general partnership.

What to be deemed a dissolution of partnership.

16. Every alteration which is made in the names of the partners, in the nature of the business, or in the capital or shares thereof, or in any other matter specified in the original certificate, shall be deemed a dissolution of the partnership; and every such partnership which is in any manner carried on after any such alteration has been made, shall be deemed and taken to be a general partnership, unless renewed as a special partnership, according to the provisions of this Law, in the manner herein described.

How partnership to be conducted.

17. The business of the partnership shall be conducted under a firm in which the names of all or some of the general partners only shall be used, without the addition of the word "company" or any other general term; and if the name of any special partner is used in such firm with his privity or consent, he shall be deemed and taken to be a general partner.

Actions to be brought by and against general partners only.

18. Actions and suits at law or in equity in relation to the business of the partnership may be brought and conducted by and against the general partners only in the same manner as if there were no special partners.

Sum contributed by special partner not to be withdrawn, etc.

19. No part of the sum which any special partner has contributed to the capital stock shall be withdrawn by him, or paid or transferred to him, in the shape of dividends, profits, or otherwise, at any time during the continuance of the partnership; but any partner may annually receive lawful interest on the sum so contributed by him, if the payment of such interest does not reduce the original amount of such capital; and if, after the payment of such interest, any profits remain to be divided, he may also receive his portion of such profits, and the same shall not be deducted from the principal paid by such partner.

Capital not to be reduced by payments to special partner.

20. If it appears that by the payment of interest or profits to any special partner the original capital has been reduced, the partner receiving the same is bound to restore the amount necessary to make good his share of capital, with interest thereon, from the time he received the same.

Special partner not to interfere in management.

21. A special partner may from time to time examine into the state and progress of the partnership concerns, and may advise as to their management; but he shall not transact any business in the name or on account of the partnership, nor be employed for that purpose, as agent, attorney, or otherwise; and if any such limited partner interferes, contrary to the provisions of this Law, he is deemed and taken to be a general partner.

General partners liable to account for each other and to special partners.

22. The general partners are liable to account for each other, and to the special partners, for their management of the partnership, both in law and equity, in like manner as other partners are now liable.

Partner guilty of fraud liable civilly and criminally.

23. Every partner guilty of any fraud in the affairs of the partnership is liable civilly, to the party injured, to the extent of his damage, and also guilty of an offence triable on indictment and punishable by fine or imprisonment, or both, in the discretion of the Grand Court.

Fraudulent assignments, etc., void.

24. Every sale, assignment, or transfer of any of the property or effects of such partnership, made by such partnership when insolvent, or in contemplation of insolvency, or after or in contemplation of the insolvency of any partner, with the intent of giving a preference to any creditor of such part-

nership or insolvent partner over other creditors of such partnership; and every judgment confessed, lien created, or security given by such partnership, under the like circumstances, and with the like intent, is void, as against the creditors of such partnership.

Fraudulent  
assignments, etc.,  
by individual  
partner void.

25. Every such sale, assignment, or transfer of any of the property or effects of a general or special partner made by such general or special partner when insolvent, or in contemplation of insolvency, or after or in contemplation of the insolvency of the partnership, with the intent of giving to any creditor of his own, or of the partnership, a preference over creditors of the partnership; and every judgment confessed, lien created, or security given by any such partner, under the like circumstances and with the like intent, is void as against the creditors of the partnership.

Breach of any  
provision of sections  
24 and 25.

26. Every special partner who contravenes sections 24 or 25, or who concurs in, or assents to, any such contravention by the partnership, or by any individual partner, is liable as a general partner.

On dissolution  
special partner not  
to withdraw his  
capital until  
creditors satisfied.

27. On the dissolution, or in case of the insolvency or bankruptcy, of the partnership, no special partner shall, under any circumstances, be allowed to withdraw any part of his capital, or to claim as a creditor, until the claims of all the other creditors of the partnership, and all charges thereon, are fully paid and satisfied.

Provision as to  
dissolution.

28. No dissolution of such partnership by the acts of the parties shall take place previous to the time specified in the certificate of its formation or in the certificate of its renewal, until a notice of such dissolution has been filed and recorded in the office of the Registrar of Companies and published in four consecutive issues of the *Gazette*, and also advertised in two newspapers published in the Islands and designated by the Registrar of Companies in writing under his hand and proof of such dissolution and publication may be made by the declaration before a Justice.

Section 5.

SCHEDULE  
FORM I

Certificate of Formation of Limited Partnership

This is to certify that we, whose names are severally undersigned, are desirous of forming a limited partnership; and

First: That the name or firm under which such partnership is to be conducted is (here mention the name or firm as "George Thompson" or "Thompson & Black" as the case may be).

Second: That the general nature of the business intended to be transacted by such partnership is as follows: (here insert the general nature and character of the business intended to be carried on).

Third: That the names of all the general and special partners interested in the said co-partnership are as follows: (here insert the names and places of residence of each partner, and specify which are general and which special partners, as thus — George Thompson, James Black, Henry Lloyd and Alfred

Smee; that the said George Thompson, is a general partner, and his place of residence is in the town of George Town; that the said James Black is a general partner, and his place of residence is also in the town of George Town; that the said Henry Lloyd is a special partner, and his place of residence is in the City of London, in the County of Middlesex, in Great Britain; and that the said Alfred Smee is a special partner, and his place of residence is also in the City of London, in the County of Middlesex, in Great Britain, or, as the case may be).

Fourth: That the amount of capital which each of the said special partners has contributed to the common stock of the said partnership is as follows: (insert as thus, or, as the case may be: the said Henry Lloyd, the sum of one thousand pounds sterling, and the said Alfred Smee the sum of five hundred pounds sterling).

Fifth: That the period at which the said partnership is to commence is the \_\_\_\_\_ day of \_\_\_\_\_, one thousand nine hundred and \_\_\_\_\_ (insert the date, which should be after the certificate is filed and recorded); and the period at which the said partnership is to terminate is the \_\_\_\_\_ day of \_\_\_\_\_ one thousand nine hundred and \_\_\_\_\_ (insert the date).

As witness our hands on this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

(Signed)

G. Thompson,  
James Black,  
Henry Lloyd,  
Alfred Smee.

Section 12.

## FORM 2

### Advertisement of Terms of Partnership

(Publish the certificate of formation of limited partnership, as recorded in the Office of the Registrar of Companies.)

Publication in consolidated and revised form authorized by the Governor in Council this 26th day of April, 1978.

JENNY MANDERSON  
Clerk of the Executive Council

