

BVI amends law governing limited partnerships

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It has been possible to register a limited partnership in the BVI since 1996 pursuant to The Partnership Act (1996) which governed both general and limited partnerships, but the BVI has now significantly enhanced the law relating to limited partnerships with the enactment of The Limited Partnership Act (2017).

The major features of the new statute are as follows:

- The option of registering a limited partnership with legal personality. If that option is chosen the new statute expressly provides that such a limited partnership is not a body corporate.
- An extensive list of activities that a limited partner can undertake without risk of losing its limited liability status.
- The ability to register a security against a limited partnership at the public registry in the BVI in instances where the limited partnership has been registered with legal personality.
- The ability to redomicile a foreign limited partnership to the BVI or to redomicile a BVI limited partnership to a foreign jurisdiction.
- The ability to merge two or more limited partnerships.
- The ability to submit a scheme of arrangement for court approval.
- The ability to redeem minority partnership interests.
- Comprehensive provisions regulating the termination of a limited partnership and both solvent and insolvent winding up.
- Transitional provisions whereby existing BVI limited partnerships will continue to be governed by the Partnership Act (1996) but may elect to re-register under the new statute within a 10 year period and will be deemed to have re-registered at the end of that period.

The Limited Partnership Act (2017) brings to the BVI many of the modern features that investors have come to expect in limited partnership law. In addition, it has introduced a number of innovative features that will bring the BVI limited partnership to the forefront. We expect that practitioners and users will gravitate to the BVI limited partnership for its commercial and user friendly approach to limited partnerships in the same way that the BVI business company has become so popular.

If you would like further information as to the registration of a limited partnership or re-registering an existing limited partnership or as to any aspects of The Limited Partnership Act (2017) please contact us.

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