

**CAYMAN ISLANDS**



# **LIMITED LIABILITY PARTNERSHIP (AMENDMENT) (NO. 3) BILL, 2020**

**A BILL FOR A LAW TO AMEND THE LIMITED LIABILITY PARTNERSHIP LAW, 2017  
TO ENHANCE THE OVERSIGHT OF THE KEEPING OF ACCOUNTING RECORDS; AND  
FOR INCIDENTAL AND CONNECTED PURPOSES**

**CONSULTATION DRAFT**

**[NOT FOR SUBMISSION TO CABINET OR CAUCUS]**

## PUBLISHING DETAILS

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**Sponsoring Ministry/Portfolio:** Ministry of Financial Services and Home Affairs  
(FSHA)



**Memorandum of  
OBJECTS AND REASONS**

This Bill seeks to amend the Limited Liability Partnership Law, 2017 (the “principal Law”) to enhance the oversight of the keeping of accounting records and to provide for incidental and connected purposes.

[TO BE COMPLETED UPON FINALIZATION OF THE POLICY FOR THE BILL]





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**LIMITED LIABILITY PARTNERSHIP  
(AMENDMENT) (NO. 3) BILL, 2020**

**Arrangement of Clauses**

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ENACTED by the Legislature of the Cayman Islands.

**Short title**

1. This Law may be cited as the Limited Liability Partnership (Amendment) (No. 3) Law, 2020.

**Amendment of section 11 of the Limited Liability Partnership Law, 2017 -  
accounts and audit**

2. The *Limited Liability Partnership Law, 2017*, in this Law referred to as the “principal Law”, is amended in section 11 by inserting after subsection (7) the following subsections —

“(8) Where a limited liability partnership keeps its books of account outside the Islands, the limited liability partnership shall provide to its registered office, semi-annually, information regarding its books of account that will enable partners to ascertain the financial position of the limited liability partnership with reasonable accuracy.

- (9) A limited liability partnership that fails to comply with subsection (8) without reasonable excuse commits an offence and is liable on summary conviction to a fine of five thousand dollars.
- (10) Subsection (8) shall not apply to a limited liability partnership that complies with a requirement under any regulatory law to file information regarding its accounts to the Authority.”.

### **Amendment of section 20 - annual return**

3. The principal Law is amended in section 20 by repealing subsection (1) substituting the following subsection —

- “(1) A limited liability partnership shall, in January of each year after the year of its registration —
- (a) furnish to the Registrar an annual return which shall be in the form declaration that —
    - (i) identifies the name and address of every person who, on the 1st day of January in that year, was a partner in the limited liability partnership;
    - (ii) the limited liability partnership is maintaining proper books of account;
    - (iii) states whether the limited liability partnership is required to file with the Authority, information regarding its accounts under any regulatory law;
    - (iv) states the physical address of the place at which the limited liability partnership keeps its books of account; and
    - (v) where applicable, confirms the limited liability partnership has provided to its registered office, semi-annually, information regarding its books of account that will enable partners to ascertain the financial position of the limited liability company with reasonable accuracy; and
  - (b) pay to the registrar a fee of such amount as is prescribed by regulations made by the Cabinet.”.

### **Amendment of section 90 – the power to fine**

4. The principal Law is amended in section 90 as follows —
- (a) in paragraph (a), by deleting the word “and”;
  - (b) in paragraph (b), by deleting the full-stop and substituting the words “; and”; and
  - (c) by inserting after paragraph (b), the following paragraph —





“(c) The Registrar shall not impose an administrative fine where criminal proceedings have commenced or have been concluded in relation to the acts that constitute the breach.”.

**Insertion of section 90A - striking off for failure to pay administrative fine**

5. The principal Law is amended by inserting after section 90 the following subsection —

**“Striking off for failure to pay administrative fine**

**90A.** Where an administrative fine imposed by the Registrar in accordance with section 88(1) remains unpaid for ninety days after imposition of the administrative fine, the Registrar may strike the limited liability partnership off the register of limited liability partnerships and the limited liability partnership shall thereupon be dissolved.”.

**Amendment of Schedule - administrative fines**

6. The principal Law is amended in the Schedule by inserting after item 16 the following items —

“No.	Section	Description of breach
17.	11(8)	Failure of a limited liability partnership which keeps its books of account outside the Islands to provide to its registered office, semi-annually, information regarding its books of account that will enable partners to ascertain the financial position of the limited liability partnership with reasonable accuracy.
18.	20(1)	Failure of a limited liability partnership to — <ul style="list-style-type: none"> <li>(a) file with the Registrar, before the expiry of the periods for late filing under section 20(2), an annual return signed by or on behalf of a limited liability partnership in the form of a declaration that —                             <ul style="list-style-type: none"> <li>(i) the limited liability partnership is maintaining proper books of account;</li> <li>(ii) states whether the limited liability partnership is required to file with the Authority, information regarding its accounts under any regulatory law;</li> <li>(iii) states the physical address of the place at which the limited liability partnership keeps its</li> </ul> </li> </ul>

		<p>(iv) books of account; and where applicable, confirms information regarding its books of account that will enable partners to ascertain the financial position of the limited liability partnership with reasonable accuracy, have been provided to its registered office; or</p> <p>(b) pay to the Registrar, before the expiry of the periods for late payment under section 20(2), the prescribed annual fee.”.</p>
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**Passed by the Legislative Assembly the                      day of                      , 2020.**

*Speaker*

*Clerk of the Legislative Assembly*

