

# Continuing obligations for Cayman Islands exempted limited partnerships

All exempted limited partnerships (**ELPs**) registered in the Cayman Islands are subject to the continuing obligations set out in the Exempted Limited Partnerships Act (**ELP Act**). This guide provides a general summary of some of the on-going obligations of Cayman Islands exempted limited partnerships.

## Overview

This guide provides a general summary of some of the ongoing obligations of Cayman Islands ELPs, please see our [guide to Cayman Islands ELPs](#) for further details about ELPs and how to establish one.

In addition, those ELPs which are regulated by the Cayman Islands Monetary Authority (**CIMA**), such as banks, mutual funds, mutual fund administrators, insurance companies, insurance managers, trust companies and others are subject to additional requirements. For detailed regulatory guidance please contact your usual Harneys representative.

## Registered office

All ELPs must have a registered office in the Cayman Islands provided by a regulated service provider. Harneys Fiduciary provides this as a service to all Harneys clients. If you are not already a Harneys Fiduciary client, please visit [harneysfiduciary.com](https://harneysfiduciary.com) for more information.

## Name

The name of the ELP must be on display at the registered office (for Harneys Fiduciary clients, this is handled automatically) and at any other place of business maintained by it.

## Books of account

The general partner is required to keep (or cause to be kept) proper books of account. The records must be sufficient to give a true and fair view of the business and financial condition of the ELP and to explain its transactions. These records must be retained for a minimum period of five years. Accounts do not need to be audited by law unless the ELP conducts a regulated activity.

Subject to the partnership agreement, each limited partner may demand and receive from the general partner a true and full picture of the state of the business and financial condition of the partnership.

## Registers

The general partner has the responsibility for maintaining (or causing to be maintained) the following statutory registers:

### *Register of limited partners*

This register must contain the name and address of each limited partner and the date on which a person became or ceased to be a limited partner. The register of limited partners can be kept anywhere in the world. If the register is kept at a place other than the registered office it must still be readily accessible, as it must be made available at the registered office should there be a notice or order for production under the Tax Information Authority Act.

The register can be kept in electronic form and must be updated within 21 days of any changes. The register (and the record of address at which the register is maintained if it is not maintained at the registered office) is open to inspection by all

partners (subject to any express or implied term of the partnership agreement) and by any other person with the consent of the general partner.

### *The record of contributions and payments*

The record of contributions and payments must show the amount and date of the contribution or contributions of each limited partner and the amount and date of any payment representing a return of the whole or any part of the contribution of any limited partner. As with the register of limited partners, this record may be kept in or outside of the Cayman Islands but must be updated within 21 days of any change and be accessible to the registered office. These records are only available for inspection by any person (including a limited partner) with the consent of the general partner.

### *The register of security interests in relation to limited partnership interests*

A register of security interests that have been granted over any limited partnership interest must be maintained at the registered office. When a security interest is granted over the whole or any part of a limited partnership interest, the ELP Act requires that notice must be given by the grantor (ie the limited partner) or the grantee (eg the lender) to the ELP at the registered office. The general partner must then enter on the register the identity of the grantor and the grantee, the relevant partnership interest, and the date on which notice of the security interest was validly served. The register must be open for public inspection during regular business hours. Any security interest has priority according to the time that the written notice is validly served at the registered office.

## Event of withdrawal notice

The general partner must promptly serve on all limited partners notice of the death, start of liquidation, bankruptcy or dissolution proceedings, withdrawal, removal or making of a winding up or dissolution order, of the sole or last qualifying general partner.

## Filing requirements

Any changes to the partnership name, general nature of business, registered office or term or a change to a general partner of the partnership must be promptly notified to the Registrar by filing an amended statement signed by the general partner.

In general, changes must be notified within 60 days, however, a change to a general partner must be filed within 15 days of the change and is not effective until that filing is made.

The registered office provider must handle these filings as the Registrar runs a subscription-only electronic filing system. It is therefore the obligation of the general partner to make sure that any of these events are notified to the registered office service provider as soon as possible to avoid penalties being payable to the Registrar.

## Annual filing requirements

The general partner is required to make an annual return to the Registrar in January each year regarding compliance with the ELP Act and to pay an annual return fee. The annual return will generally be signed on behalf of the general partner by the registered office service provider.

## Categories of regulated ELPs with additional continuing obligations

### Registered Persons

ELPs which have registered with CIMA as “Registered Persons” under the Securities Investment Business Act (the **SIB Act**) and which want to continue to maintain their registration as a Registered Person, must make the necessary filings with CIMA and pay the annual registration fee before 15 January. Where Harneys Fiduciary provides registered office services, we will send you the relevant CIMA form for completion and signature.

Failure to make the annual filing will result in the company being removed from CIMA’s list of Registered Persons which is a breach of the SIB Act and could result in penalties for the company and its directors and officers.

Please see our [guide to securities investment business](#) for further details of regulation under the SIB Act.

## Mutual fund or private fund registered with CIMA

Funds registered with CIMA must pay the applicable annual registration fee to CIMA by 15 January. If not paid by then, the fund will be liable for an additional monthly penalty. In addition, regulated funds must file annual audited accounts with CIMA within six months of each financial year end and arrange for their auditors to complete and return a report setting out certain key statistical data and other information on the fund.

The vast majority of Cayman Islands investment funds will also be classified as Cayman reporting financial institutions under the Cayman Islands automatic exchange of information legislation and so will have notification, reporting and other ongoing obligations under those laws.

For more information please see our [guide to continuing obligations of a Cayman Islands registered mutual fund](#) and our [guide to continuing obligations of a Cayman Islands private fund](#).

## ELP licensed by CIMA

Any ELP licensed by CIMA under any regulatory law must pay the applicable annual licence fee to CIMA by 15 January. In addition, annual audited accounts must be filed with CIMA within six months of each financial year end as well as reports containing key statistical data and other information on the company.



For more information and key contacts please visit [harneys.com](https://www.harneys.com)

© Harneys, October 2023

Harneys is a leading international offshore law firm. From locations around the globe, Harneys advises the world's top law firms, financial institutions and corporations on the laws of British Virgin Islands, Cayman Islands, Cyprus, Luxembourg, Bermuda, Anguilla, and Jersey. Jersey legal services are provided through a referral arrangement with Harneys (Jersey) which is an independently owned and controlled Jersey law firm. For more information about Harneys please visit [harneys.com](https://www.harneys.com) or contact us at [marketing@harneys.com](mailto:marketing@harneys.com).

The foregoing is for general information only and not intended to be relied upon for legal advice in any specific or individual situation.