

Update to the BVI Limited Partnership Act

On 2 January 2025, the British Virgin Islands Limited Partnership (Amendment) Act, 2024 was brought into force, implementing a series of amendments to the Limited Partnership Act of 2017 (the **Amended Act**). These updates reflect the jurisdiction's ongoing commitment to international best practices and regulatory compliance. Below, we summarise the key changes introduced by the amended Act.

Key changes

The key changes to the law include the following:

- Limited Partnerships (**Partnerships**) must now file their register of limited partners with the Registrar of Limited Partnerships (the **Registrar**) on a private basis.
- Partnerships will be required to file a register of beneficial owners, except in the case of Partnerships which are regulated funds in the BVI. *Beneficial owners* of a Partnership will include any natural person who owns or controls (directly or indirectly) 10 per cent or more of shares of the capital or profits of the Partnership or 10 per cent or more of the voting rights in the Partnership; or who otherwise exercises control over the management of the Partnership.¹
- An obligation for Partnerships to file a financial annual return (**FAR**) has been introduced, aligning Partnerships with similar requirements introduced recently for BVI companies.
- Partnerships registered prior to the introduction of the Limited Partnership Act 2017 have now been automatically re-registered under that legislation.

The amendments are being introduced to ensure the BVI keeps pace with international best practices and with international standards established by standard-setting bodies such as the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Financial Action Task Force. In particular, with these amendments the BVI has taken steps to ensure the jurisdiction moves quickly to address the recommendations made in the Mutual Evaluation Report published earlier in 2024. The BVI remains committed to having a robust, modern corporate and regulatory framework and to fighting financial crime in all its forms.

Filing of registers

Limited partnerships (**Partnerships**) must now file their registers of general and limited partners with the Registrar.

- **Access:** A Partnership's register of limited partners will be filed on a **private basis only**, and will only be accessible to an extremely limited set of parties as follows: (i) the Partnerships itself; (ii) the Partnership's BVI registered agent (who will have access to the register of partners anyway and would most likely have been responsible for making the filing) (iii) competent authorities; or (iv) law enforcement agencies with suitable jurisdiction. The Partnership's register of general partners will be accessible on the same basis, and in addition

¹ In most instances, this will most likely mean in practice anyone holding 10 per cent or more of the voting rights or control in the general partner of the partnership (in accordance with the constitution of the general partner entity; and any limited partner (or ultimate beneficial owner of a limited partner) holding 10 per cent or more of the limited partnership interests.

will be accessible to any other person on request.²

- **Transitional period:** Existing Partnerships (i.e. those formed prior to 2 January 2025) have a six-month transitional period (which may be extended by the Registrar for a further six months) to comply.
- **Timing for new partnerships:** Newly registered Partnerships must adhere to these requirements immediately, and filings of the registers must be made within 30 days of registration or continuation into the BVI. Any changes to the registers must also be filed within 30 days of such changes.
- **Exemptions: Regulated funds, such as private investment funds, private, professional, approved and incubator funds, are exempt from filing registers of limited partners.** However, they must still file registers of general partners.

Beneficial ownership filing

Partnerships are required to file beneficial ownership (**BO**) information with the Registrar.

- **Exemptions: Regulated funds will not be required to file BO information**, subject to satisfying certain criteria. We expect that regulated funds seeking to rely on this exemption will need to ensure their beneficial ownership information is maintained by a suitable licensed entity and can be provided to the Registrar within 24 hours upon request. We anticipate that for the majority of regulated funds, which will engage a suitably qualified third party fund administrator, reliance on their ability to provide information to the Registrar within 24 hours upon request will be suitable.³
- **Transitional period:** Existing Partnerships (i.e. those formed prior to 2 January 2025) have a six-month transitional period (which may be extended by the Registrar for a further six months) to comply.
- **Timing for new partnerships:** Newly registered Partnerships must adhere to these requirements immediately, and filings of the beneficial ownership information must be made within 30 days of registration or continuation into the BVI.

Annual return requirements

For the first time, Partnerships are required to submit an annual return to the Registrar. This return will include basic information about the partnership's activities and compliance, and closely tracks similar provisions introduced recently for BVI business companies.

As with many of the other new requirements, **regulated funds which are already required to file financial statements with the BVI Financial Services Commission will be exempt from the requirement to file an annual return.**

Continuation of partnerships

Partnerships seeking to continue their existence outside the BVI will need to confirm there are no ongoing regulatory investigations, pending requests from a competent authority to produce documents or provide information (which may include, for example, reporting on economic substance), pending legal proceedings, or receivers appointed over their assets. These safeguards aim to prevent entities from using the continuation process to evade legal or regulatory scrutiny.

² Note that the ability to access the register of general partners "on request" does not fundamentally change the existing accessibility. Any such person would need to instruct a limited partnership search report and pay associated fees for the service, and details of the general partner would always have been included in such a search report.

³ It is important to note that the exemption here does only apply to regulated fund vehicles. There may be a number of Partnerships which operate as closed-ended fund vehicles such as SPVs or feeder funds in reliance on certain carve-outs from requiring regulation. Such vehicles **will** be subject to beneficial ownership filing requirements, even where a third party administrator is engaged, unless steps are taken to become a regulated fund.

Cooperation with authorities

The amended Act introduces an express duty for Partnerships⁴ to cooperate with competent authorities, including the Registrar and law enforcement agencies. This measure ensures quick access to information necessary for regulatory oversight.

It is also worth noting that Partnerships will need to have filed registers of general and limited partners, register of beneficial owners, and not be in penalty with respect to their FAR filing in order to obtain a Certificate of Good Standing.

1996 Act Partnerships

- Partnerships registered under the Partnership Act 1996 Act (which will fundamentally be any BVI Partnerships formed prior to 12 January 2018) are now subject to a reduced transitional period. Any such Partnerships will now have been automatically re-registered under the Act on **13 January 2025**.
- Partnerships re-registered automatically will have been registered *without* separate legal personality.

Partnerships automatically re-registered on 12 January 2025 will have a six-month period to adopt a suitable limited partnership agreement (**LPA**) which complies with the Act. Any relevant Partnerships should reach out to their BVI legal counsel to begin the process of updating their limited partnership agreements.



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