

LIMITED PARTNERSHIP (AMENDMENT) BILL, 2021

(Bill No. 32 of 2021)

OBJECTS AND REASONS

The Limited Partnerships Act allows for the registration of limited partnerships with the FSA. A Limited Partnership must carry on its business outside the Seychelles but must have its registered office in Seychelles for the service of process and delivery of all notices and communications. However, the Limited Partnership may carry on business in Seychelles as long as the business fulfils the objectives of the Limited Partnership, which shall be offshore activities.

2. Following the subsequent review of Seychelles by the Global Forum of the Organization for Economic Corporation & Development (“OECD”), a number of amendments are being proposed to the Limited Partnerships Act, in an effort to improve the availability of information in Seychelles and hence, improving the standing of Seychelles' vis-à-vis such international standards. Additional amendments are also being proposed in view of the recently enacted new Beneficial Ownership Act. To give effect to these matters, some of the notable amendment of this Bill are hereby mentioned.

3. Amendment to section 6 to introduce new requirements to require the registered office of a limited partnership to be the same address as the principal place of business in Seychelles of its registered agent.

4. To introduce a new section 6A to require every limited partnership to have a registered agent in Seychelles. The registered agent shall be a person licensed to provide international corporate services under the International Corporate Service Providers Act.

5. New section 11A. One main issue being faced by the Seychelles authorities in the implementation of the exchange of information mechanism for tax matters is the availability of accounting information for international business companies (“IBCs”). Therefore, in order to reduce the risk of unavailability of accounting records, it is proposed to require all limited partnerships to keep their accounting records at their registered office (i.e. with the registered agent) in Seychelles.

6. A new section 26 is being proposed in order to place the obligation to keep register of mortgages, register of limited partnership interests and accounting records at the business premise of the registered agent in Seychelles.

Dated this 23rd day of July, 2021.

**FRANK D.R. ALLY
ATTORNEY-GENERAL**

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ARRANGEMENT OF SECTIONS

Sections

1. Short title
2. Amendment of section 6 of Cap 281
3. Insertion of new section 6A
4. Amendment of section 9
5. Amendment of section 10
6. Amendment of section 11
7. Amendment of section 11A
8. Amendment of section 24
9. Insertion of new section 26
10. Compliance of certain provisions

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A BILL

FOR

AN ACT to amend the Limited Partnership Act (*Cap 281*).

ENACTED by the President and the National Assembly.

Short title

1. This Act may be cited as the Limited Partnership (Amendment) Act, 2021.

Amendment of section 6 of Cap 281

2. Section 6 of the Limited Partnership Act (*hereinafter referred to as the “principal Act”*) is amended by inserting after subsection (2), the following subsection —

“(3) The registered office of a limited partnership shall be the same address as the principal place of business in Seychelles of its registered agent.”.

Insertion of new section 6A

3. The principal Act is amended by inserting after section 6, the following section —

Requirement of registered agent

“6A.(1) Every limited partnership shall at all times have a registered agent in Seychelles.

(2) The registered agent of limited partnership shall be a person licensed to provide international corporate services under the International Corporate Service Providers Act (*Cap 275*).

(3) If default is made in complying with the requirement of subsection (1), the limited partnership shall be liable to a penalty of one hundred US dollars and additional penalty of twenty-five US dollars for each day that such default continues, and the penalty shall be a debt due to the Registrar.”.

Amendment of section 9

4. Section 9(1) of the principal Act is amended by inserting after paragraph (e), the following paragraph —

“(f) the name and address of the registered agent of the limited partnership.”.

Amendment of section 10

5. Section 10(4) of the principal Act is amended by repealing the words “of twenty-five US dollars for each day that such default continues”, and substituting therefor the words “not exceeding five thousand US dollars”.

Amendment of section 11

6. Section 11(4) of the principal Act is amended by repealing the words “of twenty-five US dollars for each day that such default continues”, and substituting therefor the words “not exceeding ten thousand US dollars”.

Amendment of section 11A

7. Section 11A of the principal Act is amended —

- (a) in subsection (1)(c), by repealing the words “accounts”, and substituting therefor the words “financial statements”;
- (b) in section 11A, by repealing subsection (3) and substituting therefor the following —

“(3) A limited partnership shall —

- (a) prepare an annual financial summary to be kept at its registered office in Seychelles within 6 months from the end of the limited partnership's financial year; and
- (b) on a bi-annual basis, keep its accounting records at its registered office in Seychelles.

(3A) The financial year of a limited partnership shall be the calendar year, unless it is changed by the general partner and notified to the limited partnership's registered agent within 14 days.

(3B) The Registrar may issue written guidelines regarding the implementation of the obligations relating to accounting records.”;

- (c) by repealing subsection (4) and substituting therefor the following subsections —

“(4) It shall be sufficient compliance with subsections (3) if a copy of the accounting records and financial summary

is kept in electronic form at the limited partnership's registered office in Seychelles.

(4A) Where a limited partnership keeps a copy of its accounting records at its registered office in Seychelles, the limited partnership shall keep with its registered agent a written record of the physical address of the place where the original accounting records are kept, and of any change thereto.”;

- (d) in subsection (6), by repealing the words “of twenty-five US dollars for each day that such default continues”, and substituting therefor the words “not exceeding ten thousand US dollars”.

Amendment of section 24

8. Section 24 of the principal Act is amended —

- (i) by inserting after sub-section (1), the following subsection —

“(1A) For the purposes of subsection (1), where a document is not in the English or French language, the Registrar may request a translation of the records in the English or French language from the general partner of the limited partnership or from the registered agent.”;

- (ii) inserting after the words “compliance inspection” the words “, or fails to comply with subsection (1A),”.

Insertion of new section 26

9. The principal Act is amended by inserting after section 25, the following section —

Preservation of records

“**26.(1)** A registered agent shall, in respect of each limited partnership (including a deregistered limited partnership) to which it was or is acting as registered agent, preserve for at least 7 years —

- (a) the register of mortgages and the register of limited partnership interest, from the date of deregistration of the limited partnership; and
- (b) the accounting records of the limited partnership in the possession of the registered agent, from the date of completion of the transaction or operation to which they each relate.

(2) Where a registered agent ceases to hold a licence to provide international corporate services under the International Corporate Service Providers Act (*Cap 275*), that person shall handover all the records specified under subsection (1) to the Registrar or any other person approved by the Registrar.

(3) All records to be handed over under subsection (2) shall be preferably in the digital form or in such form as agreed upon between the Registrar and the registered agent.

(4) If the registered agent fails to comply with the requirements of this section, the registered agent shall be liable to a penalty not exceeding ten thousand US dollars.”.

Compliance of certain provisions

10. Every limited partnership shall comply with the provisions of sections 6, 6A, 9 and 11A of the Limited Partnership Act (*Cap 281*), as amended by this Act, within a period of six months from the commencement of this Act.