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I assent,

CUTHBERT M. SEBASTIAN
Governor-General.

22nd of January, 1996.

SAINT CHRISTOPHER AND NEVIS

No. 24 of 1996

AN ACT to make provisions for the establishment, regulation and dissolution of limited partnerships and generally to provide for purposes connected therewith and incidental thereto.

BE IT ENACTED by the Queen’s Most Excellent Majesty, by and with the advice and consent of the National Assembly of Saint Christopher and Nevis and by the authority of the same as follows:-

PART I

Preliminary

- 1. (1) This Act may be cited as the Limited Partnerships Act, 1996.
- (2) This Act shall come into operation on such date as the Minister by notice published in the Gazette appoints.

Short Title and Commencement.

- 2. (1) In this Act unless the context otherwise requires -
 - “annual statement” means the statement to be made by a limited partnership under Section 22;
 - “auditor” means a person who is qualified as an accountant by examination conducted by one of the institutes of Chartered Accountants or Certified Accountants in England and Wales, Ireland or Scotland, the Canadian Institute of Chartered Accountants or the American Institute of Certified Public Accountants and is a practising member in good standing of one of those institutes or is otherwise approved by any supervisory body of the accounting profession recognised under the law of the Federation;
 - “bankruptcy” includes any proceedings of a similar nature in a place outside the Federation;
 - “body corporate” includes a body corporate wherever or however incorporated, other than a corporate sole;
 - “business” includes any trade, occupation or profession;
 - “Court” means the Eastern Caribbean Supreme Court or any Court with similar jurisdiction established in succession to that Court;
 - “currency” includes foreign currency and any other means of exchange that may be prescribed;
 - “declaration” means the declaration delivered to the Registrar under Section 5 and includes all amendments made to the declaration;
 - “document” includes summons, notice, statement, return, account, order, and other legal process, and registers;

Interpretation.

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“exempt limited partnership” means a limited partnership the partners of which are exempt from taxes under sub-section (1) of Section 62.

“the Federation” means the Federation of Saint Christopher and Nevis.

“general partner” means a person who is named as such in the declaration and if more than one shall mean each general partner;

“interdict” means a person in respect of whom a curator has been appointed by any court having jurisdiction (whether in the Federation or elsewhere) in matters concerning mental disorder;

“lawyer” means a barrister or solicitor of the Court;

“limited partner” means a person who is named as such in the Register kept under Section 21 and if more than one shall mean each limited partner;

“limited partnership” means a limited partnership established in accordance with this Act;

“Minister” means the Minister responsible for finance;

“minor” means a person who under the law of the Federation or under the law of his domicile has not reached the age of legal capacity;

“Order” means an Order made by the Minister;

“ordinary limited partnership” means a limited partnership which is not an exempt limited partnership;

“partner” means a limited partner or a general partner;

“partnership agreement” means any agreement in writing of the partners as to the affairs of a limited partnership and the rights and obligations of the partners among themselves;

“partnership interest” means a partner’s share of the profits and losses of a limited partnership and the right to receive distributions of partnership assets and other benefits conferred by the partnership agreement;

“prescribed” means prescribed by Order;

“prospectus” has the meaning assigned to it by paragraph (a) of sub-section (5) of Section 33;

“records” means documents and other records however stored;

“Registrar” means the Registrar of limited partnerships appointed pursuant to Section 52 and “his seal” in relation to the Registrar means a seal prepared under that Section

“securities” includes any certificate or other instrument representing the right to any unit;

“unit” has the meaning assigned to it by paragraph (b) of sub-section (5) of Section 33;

“year” means a calendar year.

(2) A reference in this Act to a Section by number only, and without further identification, is a reference to the Section of that number contained in this Act.

(3) A reference in a Section or other division of this Act to a sub-section or paragraph or sub-paragraph by number or letter only, and without further identification, is a reference to the

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sub-section or paragraph or sub-paragraph of that number or letter contained in the Section or other division of this Act in which that reference occurs.

(4) A reference in this Act to an enactment is a reference to that enactment as amended, and includes a reference to that enactment as extended or applied by or under any other enactment, including any other provision of that enactment.

(5) A reference to dollars in this Act is a reference to the currency of the Eastern Caribbean Central Bank.

3. For the purposes of this Act, a limited partnership is insolvent when the general partner is unable to discharge the debts and obligations of the limited partnership (excluding liabilities to partners in respect of their partnership interests) as they fall due out of the assets of the limited partnership without recourse to the separate assets of a general partner not contributed to the limited partnership, and "solvent" shall be construed accordingly.

Meaning of "insolvent" and "solvent".

PART II

Formation and Establishment of Limited Partnerships

4. (1) Any two or more persons (none of whom is a minor or an interdict or a bankrupt) associated for a lawful purpose may form a limited partnership.

Formation of limited partnership.

(2) A limited partnership shall consist of -

- (a) one or more persons who are general partners; and
- (b) one or more persons who are limited partners.

(3) A body corporate may be a general or a limited partner and a person may be a general partner as well as a limited partner at the same time in the same limited partnership.

(4) An association of persons (whether or not purporting to confer limited liability on one or more of their number) shall not be a limited partnership until the requirements of sub-section (2) have been satisfied and the Registrar has issued a certificate under sub-section (2) of Section 7.

5. (1) Any of the general partners of a limited partnership or a person acting on their behalf may on delivering to the Registrar a declaration and on payment of the prescribed registration fee apply for the registration of the declaration under this Act.

Declaration of formation of limited partnership.

(2) A declaration delivered to the Registrar under sub-section (1) shall be in the English language, shall be printed and shall state -

- (a) the name by which the limited partnership is to be referred;
- (b) the term, if any, for which the limited partnership is to exist or, if for unlimited duration, a statement to that effect; and
- (c) the full name and address of each general partner who is an individual, or in the case of a body corporate its full name, the place where it is incorporated and the address of its registered or principal office.

(3) The declaration shall be signed by each person who is, on the formation of the limited partnership, to be a general partner.

6. (1) With the declaration there shall be delivered to the Registrar a statement signed by or on behalf of the general partners setting out -

Documents to be delivered to the Registrar.

- (a) the limited partnership's name and the address of its office for service;
- (b) whether the limited partnership is an ordinary or an exempt limited partnership;

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- (c) the nature of the businesses to be carried out by the limited partnership;
- (d) in the case of an exempt limited partnership, an undertaking that the general partners of the limited partnership will forthwith notify the Minister by notice in writing if the limited partnership should no longer qualify as an exempt limited partnership; and
- (e) any other prescribed particulars.

(2) Where a declaration is delivered by a person as agent for the general partners, the statement shall specify that fact and the person's name and address.

7. (1) If the Registrar is satisfied that all requirements of this Act in respect of the registration of a declaration have been complied with, he shall register the declaration delivered to him under Section 5.

Registration of
declaration.

(2) On the registration of a declaration, the Registrar shall -

- (a) allocate a registration number to the declaration in accordance with Section 54; and
- (b) give a certificate of registration in respect of the declaration stating -
 - (i) the name of the limited partnership;
 - (ii) the registration number of its declaration; and
 - (iii) the date of the registration of its declaration.

(3) Every certificate of registration shall be signed by the Registrar and sealed with his seal.

(4) A certificate of registration is conclusive evidence of the registration of the declaration.

8. (1) If during the continuance of a limited partnership any change is made or occurs in any of the particulars delivered pursuant to Section 5, a statement signed by a general partner, specifying the nature of the change shall within 21 days be delivered to the Registrar.

Amendment of
declaration.

(2) On the registration of a statement under this Section the Registrar shall issue a certificate to that effect.

(3) The certificate shall be signed by the Registrar and sealed with his seal.

(4) If default is made in compliance with sub-section (1) of this Section every general partner who is in default is guilty of an offence and liable to a fine not exceeding 2,500 dollars and in the case of a continuing offence to a further fine not exceeding 250 dollars for each day on which the offence so continues.

9. (1) The name of each limited partnership shall end with the words "Limited Partnership" in full or the abbreviation "L.P."

Names.

(2) The surname of a limited partner shall not appear in the name of the limited partnership unless it is also the surname of one of the general partners or the limited partnership has been carried on under that name before the admission of that partner as a limited partner.

(3) The corporate name or a significant part of the corporate name of a limited partner shall not appear in the name of a limited partnership unless it is also the corporate name or a significant part of the corporate name of one of the general partners or the limited partnership has been carried on under that name before the admission of that corporate partner as a limited partner.

(4) A limited partner whose surname or corporate name appears in the name of the limited partnership contrary to sub-section (2) or (3) is liable as a general partner to any creditor

of the limited partnership who has extended credit without actual knowledge that the limited partner is not a general partner.

- (5) The Registrar may refuse to register -
 - (a) a declaration; or
 - (b) a statement under sub-section (1) of Section 8 changing the name of a limited partnership,

where the name to be registered is in his opinion in any way misleading or otherwise undesirable.

PART III

Rights and Obligations of Partners

10. (1) A general partner in a limited partnership has all the rights and powers and is subject to all the restrictions and liabilities of a partner in a partnership without limited partners except that, without written consent or ratification by all the limited partners, a general partner has no authority to -

Rights and obligations of general partner.

- (a) do an act which makes it impossible to carry on the activities of the limited partnership;
- (b) possess limited partnership property, or dispose of any rights in limited partnership property, for other than a partnership purpose; or
- (c) admit a person as a general partner or admit a person as a limited partner, unless the right to do so is given in the partnership agreement.

(2) Any property of a limited partnership which is transferred to or vested in or held on behalf of any one or more of the general partners or which is transferred into or vested in the name of the limited partnership shall be held or deemed to be held by the general partner, or, if more than one, by the general partners jointly, as an asset of the limited partnership in accordance with the terms of the partnership agreement.

(3) Any debt or obligation incurred by a general partner in the conduct of the activities of a limited partnership shall be a debt or obligation of the limited partnership.

11. (1) Subject to sub-section (3), no judgement shall be enforced against any property of a limited partnership unless such judgement has been granted against a general partner in his capacity as a general partner of that limited partnership.

Enforcement of judgements against property of limited partnership.

(2) Creditors of a general partner or a limited partner, in that partner's capacity other than as a general partner or a limited partner of the limited partnership, shall have no claim against the property of that limited partnership.

(3) Nothing in sub-section (1) shall preclude the enforcement of an order of the Court relating to property of a limited partnership in any case where, by reason of any of the events mentioned in paragraph (a) or (b) of sub-section (1) of Section 29, a judgement could not be granted against a general partner in his capacity as a general partner of that limited partnership.

12. (1) A limited partner has the same right as a general partner -

Rights of limited partner.

- (a) during business hours, to inspect and make copies of or take extracts from the limited partnership books and records at all times;
- (b) to be given, on demand, true and full information of all things affecting the limited partnership and to be given a formal account of partnership affairs whenever circumstances render it just and reasonable.

(2) A limited partner shall not be entitled to dissolve the limited partnership by notice.

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(3) Subject to any provision, express or implied, of the partnership agreement to the contrary, a limited partnership shall not be dissolved by the death, legal incapacity, bankruptcy, retirement or withdrawal from the limited partnership of a limited partner who is an individual, or in the case of a body corporate, its dissolution, bankruptcy or withdrawal from the limited partnership.

13. (1) A limited partner has, subject to this Act and the partnership agreement, the right to a share of the profits of the limited partnership. Share of profits.

(2) A limited partner may receive from the limited partnership the share of the profits stipulated for in the partnership agreement only if, at the time when and immediately after payment is made, the limited partnership is solvent.

(3) For a period of 6 months from the date of receipt by a limited partner of any payment representing a share of the profits of the limited partnership in circumstances where the requirements of sub-section (2) have not been met, such payment shall be repayable by such limited partner with interest at the prescribed rate to the extent that such share of the profits is necessary to discharge a debt or obligation of the limited partnership incurred during the period that the share of the profits represented an asset of the limited partnership.

14. (1) A limited partner may lend money to, borrow money from and enter into transactions with the limited partnership. Dealings by limited partner with partnership.

(2) Except where the limited partner is also a general partner, a limited partner having, with respect to anything done under sub-section (1), a claim against the assets of the limited partnership shall rank as a creditor of the limited partnership in respect of such claim.

(3) For the purposes of this Section, a claim described in sub-section (2) does not include a claim for a return of capital contributions.

15. (1) Subject to sub-section (2), limited partners, in relation to one another, shall rank - Limited partners' rights as between themselves.

- (a) *pari passu* in respect of the return of their contributions; and
- (b) *pro rata* to those contributions in respect of profits.

(2) Where there is more than one limited partner, the partnership agreement may provide that one or more of the limited partners is to have greater rights than the other limited partners as to -

- (a) the return of contributions;
- (b) profits; or
- (c) any other matter.

16. (1) A limited partner shall not, on dissolution or otherwise, receive out of the capital of the limited partnership a payment representing a return of any part of his contribution to the partnership unless at the time of and immediately following such payment the limited partnership is solvent. Return of limited partner's contribution.

(2) For a period of 6 months from the date of receipt by a limited partner of any payment representing a return of contribution or part thereof received by such limited partner in circumstances where the requirements of sub-section (1) have not been met, such payment shall be repayable by such limited partner with interest at the prescribed rate to the extent that such contribution or part thereof is necessary to discharge a debt or obligation of the limited partnership incurred during the period that the contribution represented an asset of the limited partnership.

- (3) Except -
- (a) as provided in sub-section (2); or
 - (b) in the case of fraud,

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a limited partner shall not be liable to repay any payment representing a return of his contribution or part thereof.

(4) Subject to sub-sections (1) and (2), a limited partner may demand payment representing the return of all or part of his contribution -

- (a) on the dissolution of the limited partnership;
- (b) at the time specified in the partnership agreement for its return; or
- (c) after he has given 6 months' notice in writing to all other partners, if no time is specified in the partnership agreement either for the return of the contribution or for the dissolution of the limited partnership.

(5) A limited partner has, notwithstanding the nature of his contribution, only the right to demand and receive money in return for it, unless -

- (a) there is a statement to the contrary in the partnership agreement; or
- (b) all the partners consent to some other manner of returning the contribution.

(6) In this Section "payment" includes the release of any obligation forming part of the capital contribution, and any liability to make repayments pursuant to sub-section (2) shall be construed accordingly.

17. (1) A limited partner is liable to the limited partnership for the difference, if any, between the value of money or other property contributed by him to the limited partnership and the value of money or other property specified in the records kept under paragraph (4) of Section 21 to be contributed by him to the limited partnership.

Limited partner's liability to partnership.

(2) Any contribution to be made by a limited partner to a limited partnership may be money, in any currency, any other property, or services.

18. (1) Except as provided in this Act, a limited partner is not liable for the debts or obligations of the limited partnership.

Limited partner's liability to creditors.

(2) A limited partner is not liable as a general partner unless he participates in the management of the limited partnership.

(3) Subject to sub-section (4), if a limited partner participates in the management of the limited partnership in its dealings with persons who are not partners, that limited partner shall be liable in the event of the insolvency of the limited partnership for all debts and obligations of the limited partnership incurred during the period that he participated in the management of the limited partnership as though he were for that period a general partner.

(4) A limited partner shall be liable under sub-section (3) only to a person who transacts with the limited partnership with actual knowledge of the participation of the limited partner in the management of the limited partnership and who then reasonably believed the limited partner to be a general partner.

(5) A limited partner does not participate in the management of a limited partnership within the meaning of this Section by doing one or more of the following -

- (a) being a contractor for or an agent or employee of the limited partnership or of a general partner or acting as a director, officer or shareholder of a corporate general partner;
- (b) consulting with and advising a general partner with respect to the activities of the limited partnership;
- (c) investigating, reviewing, approving or being advised as to the accounts or affairs of the limited partnership or exercising any right conferred by this Act;

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- (d) acting as surety or guarantor for the limited partnership either generally or in respect of specific obligations;
- (e) approving or disapproving an amendment to the partnership agreement; or
- (f) voting on, or otherwise signifying approval or disapproval of, one or more of the following -
 - (i) the dissolution and winding up of the limited partnership,
 - (ii) the purchase, sale, exchange, lease, pledge, hypothecation, creation of a security interest, or other dealing in any asset by or of the limited partnership,
 - (iii) the creation or renewal of an obligation by the limited partnership,
 - (iv) a change in the nature of the activities of the limited partnership,
 - (v) the admission, removal or withdrawal of a general or a limited partner and the continuation of the limited partnership thereafter, or
 - (vi) transactions in which one or more of the general partners have an actual or potential conflict of interest with one or more of the limited partners;
 - (vii) bringing an action on behalf of the limited partnership pursuant to sub-section (3) of Section 25.
- (g) Sub-section (5) shall not import any implication that the possession or exercise of any other power by a limited partner will necessarily constitute the participation by such limited partner in the management of the limited partnership.

19. An additional limited partner shall not be admitted to a limited partnership except in accordance with the partnership agreement and by entry in the register under paragraph (a) of sub-section (4) of Section 21.

Admission of additional limited partners.

20. (1) A limited partner shall not assign his interest, in whole or in part, in the limited partnership unless -

Assignments.

- (a) all the limited partners and all the general partners consent or the partnership agreement permits it; and
- (b) the assignment is made in accordance with the terms of the consent or the partnership agreement, as the case may be.

(2) An assignee of the interest, in whole or in part, of a limited partner does not become a limited partner in the limited partnership until his ownership of the assigned interest is entered in the register referred to in paragraph (a) of sub-section (4) of Section 21, and until so entered he has none of the rights of a limited partner exercisable against the partnership or against any of the partners other than the assignor.

(3) Subject to sub-section (4), on becoming a limited partner, an assignee acquires the rights and powers and is subject to all the restrictions and liabilities that his assignor had in respect of the assigned interest immediately before the assignment.

(4) On becoming a limited partner an assignee shall not assume any liability of the assignor arising under sub-section (3) of Section 13, sub-section (2) of Section 16 or sub-section (3) of Section 18 and, notwithstanding any term of the partnership agreement or any other agreement to the contrary, no such assignment shall relieve the assignor of any liability under those paragraphs.

PART IV

Administration

21. (1) A limited partnership shall have an office for service in the Federation. Office for service.
- (2) The general partners of a limited partnership may change the address of its office for service from time to time by giving notice to the Registrar.
- (3) The change shall take effect on the notice being registered by the Registrar, but until the end of the period of 14 days beginning on the date on which it is registered, a person may validly serve any document on the limited partnership at its previous office for service.
- (4) The general partners of a limited partnership shall keep at its office for service -
- (a) a register showing in alphabetical order for each limited partner -
 - (i) the full name and address of each limited partner who is an individual, or in the case of a body corporate its full name, the place where it is incorporated and the address of its registered or principal office,
 - (ii) where the participation by limited partners is defined by percentage interests or by the number of units or other similar rights held by them, the percentage interest or the number and class of units or other rights held,
 - (iii) a statement of the amount of any contributions agreed to be made by the limited partner and the time at which, or events on the happening of which, the contributions are to be made;
 - (iv) a statement of the amount of money and nature and value of any other property contributed by the limited partner and the dates thereof;
 - (v) a statement of the amount of contributions returned to the limited partner and the dates thereof;
 - (b) a copy of the declaration and each amendment made to it;
 - (c) a copy of the partnership agreement and each amendment made to it;
 - (d) a copy of each annual statement required to be given to the Registrar pursuant to Section 22; and
 - (e) such other particulars as may be prescribed.
- (5) The records kept under sub-section (4) shall be -
- (a) *prima facie* evidence of the particulars which are by that sub-section directed to be contained therein;
 - (b) amended within 21 days of any change in the particulars contained therein;
 - (c) available for inspection and copying without charge during ordinary business hours at the request of a partner.
- (6) If default is made in compliance with this Section every general partner who is in default is guilty of an offence and liable to a fine not exceeding 2,500 dollars and in the case of a continuing offence to a further fine not exceeding 250 dollars for each day on which the offence so continues.
22. (1) The general partners of every limited partnership shall, in every year before the end of the month next following the month in which the anniversary date of the registration of its declaration falls - Annual statement.

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- (a) complete an annual statement containing information current as at the anniversary date of the registration of its declaration in that year;
 - (b) deliver to the Registrar a copy of the statement signed by each of the general partners of the limited partnership together with the prescribed filing fee; and
 - (c) file a copy of the statement delivered to the Registrar in a register kept by them for the purpose.
- (2) The general partners of a limited partnership shall state in its annual statement -
- (a) the limited partnership's name and the address of its office for service;
 - (b) whether the limited partnership is an ordinary or an exempt limited partnership;
 - (c) the nature of the businesses carried out by the limited partnership;
 - (d) the full name and address of each general partner who is an individual, or in the case of a body corporate its full name, the place where it is incorporated and the address of its registered or principal office;
 - (e) in the case of an exempt limited partnership, an undertaking that the general partners of the limited partnership will forthwith notify the Minister by notice in writing if the limited partnership should no longer qualify as an exempt limited partnership; and
 - (f) that the information contained in the statement is current as at the anniversary date of its registration in the year in which it is required to be delivered.
- (3) The Minister may, in his discretion, by written notice to a general partner of a limited partnership direct that the general partner of the limited partnership shall submit together with its annual statement such information, declaration and verification as are specified in the direction and the Minister may at any time withdraw or amend the terms of any such direction.
- (4) If default is made in compliance with sub-section (1) or (2) -
- (a) every general partner who is in default is guilty of an offence and liable to a fine not exceeding four times the prescribed filing fee and in the case of an offence under paragraph (b) of sub-section (1), is liable to a fine not exceeding one half of the prescribed filing fee for each day the offence is permitted to continue; and
 - (b) the registration of the declaration may be cancelled in accordance with Section 61, the provision of which shall apply accordingly.
23. For the purposes of this Act, a document may be served on a general partner in respect of a limited partnership - Service of documents.
- (a) by leaving it at, or sending it by post to, the office for service of the limited partnership; or
 - (b) in accordance with sub-section (3) of Section 21; or
 - (c) by delivering it to the general partner.
24. Where a general partner executes a document on behalf of the limited partnership, it shall be conclusively presumed in favour of any person who is not a general partner that - Authority to sign.
- (a) the general partner has the authority under which he purports to act; and
 - (b) the executed document has been validly executed.

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25. (1) Except as provided in this Act, legal proceedings by or against a limited partnership shall be instituted by or against any one or more of the general partners only and no limited partner shall be a party to or named in such proceedings. Legal proceedings.

(2) A general partner or, with the leave of the Court, any other person shall have the right to join or otherwise institute proceedings against one or more of the limited partners who may be liable to the limited partnership pursuant to -

- (a) sub-section (3) of Section 13;
- (b) sub-section (2) of Section 16;
- (c) Section 17; or
- (d) sub-section (3) of Section 18.

(3) A limited partner may bring an action on behalf of a limited partnership if any one or more of the general partners with authority to do so have, without good cause, refused to institute such proceedings.

26. (1) The general partners of every limited partnership shall keep accounting records which are sufficient to show and explain their transactions in respect of the limited partnership and are such as to disclose with reasonable accuracy at any time the financial position of the limited partnership. Accounts and audit.

(2) Unless the partnership agreement otherwise provides, it shall not be necessary for the general partners of a limited partnership to appoint an auditor to audit their accounts in respect of the limited partnership.

(3) If default is made in compliance with this Section every general partner who is in default is guilty of an offence and liable to a fine not exceeding 2,500 dollars.

PART V

Winding up of Limited Partnership

27. (1) Except as provided in Sections 29 and 30, a limited partnership shall not be dissolved by an act of the partners until a statement of dissolution signed by a general partner has been delivered by him to the Registrar. Statement of dissolution.

(2) When a statement of dissolution is delivered to the Registrar he shall cancel the registration of the declaration.

(3) If default is made in compliance with this Section every general partner who is in default is guilty of an offence and is liable to a fine not exceeding 2,500 dollars.

28. In the event of the dissolution of a limited partnership its affairs shall be wound up by the general partners unless the activities of the limited partnership are taken over and continued in accordance with sub-section (2) of Section 29 or unless the Court otherwise directs under sub-section (2) of Section 30. Winding up of limited partnership.

29. (1) Notwithstanding any provision, express or implied, of the partnership agreement to the contrary, but subject to sub-section (2) - Dissolution of partnership on death etc. of general partner.

- (a) where the sole or last remaining general partner is an individual, his death, legal incapacity, bankruptcy, retirement or withdrawal from the limited partnership; or
- (b) where the sole or last remaining general partner is a body corporate, its dissolution, bankruptcy or withdrawal from the limited partnership, shall cause the immediate dissolution of the limited partnership which shall forthwith be wound up -

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- (i) in accordance with the partnership agreement, or
- (ii) on the application of a limited partner or a creditor of the limited partnership, in accordance with the directions of the Court.

(2) A limited partnership shall not be required to be wound up under sub-section (1) if, within 90 days of the dissolution, the limited partners, either unanimously or as otherwise provided for in the partnership agreement, elect one or more general partners, in which event the limited partnership shall be deemed not to have been dissolved and the activities of the limited partnership may be taken over and continued as provided for in the partnership agreement or a subsequent agreement.

(3) If a limited partnership is dissolved under sub-section (1), and the activities of the limited partnership are not taken over and continued in accordance with sub-section (2), a statement of dissolution signed by a limited partner shall be delivered by him to the Registrar who shall thereupon cancel the registration of the declaration.

30. (1) The Court may, on the application of a partner, order the dissolution of a limited partnership if it is satisfied that -

Power of Court to order dissolution.

- (a) the limited partnership is being conducted in a manner calculated or likely to affect prejudicially the carrying out of the activities of the limited partnership;
- (b) the limited partnership is being conducted in a manner oppressive to one or more of the limited partners; or
- (c) circumstances have arisen which render it just and equitable that the limited partnership be dissolved.

(2) Where an order is made under sub-section (1) the Court may give such directions as it thinks fit as to the winding up of the limited partnership.

(3) When a limited partnership has been dissolved under this Section the partner making the application shall cause the relevant act of the Court to be delivered to the Registrar within 21 days after the making of the order and the Registrar shall thereupon cancel the registration of the declaration.

31. (1) Where a person who is required by this Act to sign, deliver or permit inspection or copying of a document refuses to do so, a person who is aggrieved by the refusal may apply to the Court for an order directing the person to comply with the provisions of this Act and upon such application the Court may make such order or any other order it considers appropriate in the circumstances.

Order for compliance.

(2) An application may be made under sub-section (1) notwithstanding the imposition of a penalty in respect of the refusal and in addition to any other rights the applicant may have at law.

32. (1) Where accounts are settled after the dissolution of a limited partnership, the liabilities of the partnership to creditors, except to -

Settling accounts on dissolution.

- (a) limited partners on account of their contributions or profits; and
- (b) to general partners,

shall be paid first and then in accordance with sub-section (2).

(2) Subject to the partnership agreement or to a subsequent agreement, the other liabilities of the partnership shall be paid in the following order -

- (a) to general partners other than for capital and profits,
- (b) to limited partners in respect of the capital of their contributions,

- (c) to limited partners in respect of their share of the profits on their contributions,
- (d) to general partners in respect of capital,
- (e) to general partners in respect of profits.

PART VI

Prospectuses

33. (1) This Part applies to a limited partnership which is inviting or deemed to be inviting the public to acquire or apply for any units. Prospectuses.

(2) The Minister may by Order prohibit either of the following, except in circumstances and subject to conditions specified in the Order -

- (a) the circulation of a prospectus in the Federation;
- (b) the circulation of a prospectus, in the Federation or elsewhere, in respect of a limited partnership.

(3) Such Order may provide -

- (a) for prospectuses -
 - (i) to be filed with, or filed and approved by, the Minister,
 - (ii) to contain such further information as is necessary to give investors an informed assessment of any investment proposed in the prospectus,
 - (iii) to comply with such other requirements as may be specified in the Order,
- (b) for any other matter required to carry the Order into effect.

(4) Any person who fails to comply with any provision of any such Order and, where the offence is committed by a limited partnership, every general partner of it who is in default is guilty of an offence and liable to a fine not exceeding 2,500 dollars.

(5) In this Part -

- (a) “prospectus” means an invitation to the public to acquire or apply for any units; and
- (b) “unit” means any material representation of the rights of investors with regard to the assets of a limited partnership whether such rights are represented -
 - (i) by securities issued in respect of the limited partnership; or
 - (ii) by the entry of names of investors (whether as limited partners or otherwise) in a register kept in relation to the limited partnership, or
 - (iii) by any other means.

(6) For the purposes of this Section -

- (a) an invitation is made to the public where it is not addressed exclusively to a restricted circle of persons; and
- (b) an invitation shall not be considered to be addressed to a restricted circle of persons unless -
 - (i) the invitation is addressed to an identifiable category of persons to whom it is directly communicated by the inviter or his agent; and

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- (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the invitation; and
- (iii) the number of persons in the Federation or elsewhere to whom the invitation is so communicated does not exceed 50.

(7) An invitation to the public to acquire or apply for units issued in respect of a limited partnership shall, if the units are not fully paid or if the invitation is first circulated within 6 months after the units were allotted, be deemed to be a prospectus circulated in respect of the limited partnership unless it is shown that the units were not allotted with a view to their being the subject of such an invitation.

34. (1) A person who acquires or agrees to acquire a unit to which a prospectus relates and suffers a loss in respect of the unit as a result of the inclusion in the prospectus of a statement of a material fact which is untrue or misleading, or the omission from it of the statement of a material fact, shall, subject to Section 35, be entitled to damages for loss suffered -

Compensation for misleading statements in prospectus.

- (a) in the case of units offered for subscription, from each person who was a general partner of the limited partnership when the prospectus was circulated;
- (b) in the case of units offered otherwise than for subscription, from the person making the offer and, where that person is a general partner of a limited partnership, from each person who was a general partner of it when the prospectus was circulated;
- (c) from each person who is stated in the prospectus as accepting responsibility for the prospectus, or any part of it, but, in that case, only in respect of a statement made in or omitted from that part; and
- (d) from each person who has authorized the contents of, or any part of, the prospectus.

(2) Nothing in this Section shall make a person responsible by reason only of giving advice as to the contents of a prospectus in a professional capacity.

(3) This Section does not affect any liability which any person may incur apart from this Section.

35. A person shall not be liable under Section 34 if he satisfies the Court -

Exemption from liability to pay compensation.

- (a) that the prospectus was circulated without his consent; or
- (b) that, having made such enquiries (if any) as were reasonable, from the circulation of the prospectus until the units were acquired, he reasonably believed that the statement was true and not misleading or that the matter omitted was properly omitted; or
- (c) that, after the circulation of the prospectus and before the units were acquired he, on becoming aware of the untrue or misleading statement or of the omission of the statement of a material fact, took reasonable steps to secure that a correction was brought to the notice of persons likely to acquire the units; or
- (d) in the case of a loss caused by a statement purporting to be made by a person whose qualifications give authority to a statement made by him which was included in the prospectus with his consent, that when the prospectus was circulated he reasonably believed that the person purporting to make the statement was competent to do so and had consented to its inclusion in the prospectus; or

- (e) that the person suffering the loss acquired or agreed to acquire the units knowing that the statement was untrue or misleading or that the matter in question was omitted.

36. (1) A person is not debarred from obtaining compensation from a limited partnership by reason only of his holding or having held units in the limited partnership or any right to apply or subscribe for units in the limited partnership or to be included in the register of limited partners in respect of units.

Recovery of compensation.

(2) A sum due from a limited partnership to a person who has acquired or agreed to acquire units in the limited partnership being a sum due as compensation for loss suffered by him in respect of the units, shall (whether or not the limited partnership is being wound up and whether the sum is due under Section 34 or otherwise) be treated as a sum due to him otherwise than in his character of a limited partner.

37. If a prospectus is circulated with a material statement in it which is untrue or misleading or with the omission from it of the statement of a material fact, any person who authorized the circulation of the prospectus is guilty of an offence and liable to imprisonment for a term not exceeding 2 years or a fine or both unless he satisfies the Court that he reasonably believed, when the prospectus was circulated, that the statement was true and not misleading or that the matter omitted was properly omitted.

Criminal liability for misleading statements.

PART VII

Investigations

38. (1) If the Minister has *prima facie* evidence that -
- (a) a limited partnership was formed or is to be dissolved for an unlawful or fraudulent purpose; or
 - (b) the business or affairs of a limited partnership are or have been carried on unlawfully or with intent to defraud any person; or
 - (c) persons concerned with the formation, business or affairs of a limited partnership have in connexion therewith acted fraudulently or dishonestly; or
 - (d) in any case it is in the public interest that an investigation of the limited partnership be made,

Appointment of inspectors by Minister.

he may appoint one or more competent inspectors to investigate the affairs of a limited partnership and to report on them as the Minister may direct.

(2) The appointment may be made on the application of the Registrar, or of any person who is a partner or creditor of the limited partnership.

(3) The Minister may, before appointing inspectors, require the applicant, other than the Registrar, to give security, to an amount not exceeding 25,000 dollars or such other sum as may be prescribed for payment of the costs of the investigation.

(4) This Section applies whether or not the limited partnership is being wound up.

39. (1) If inspectors appointed under Section 38 to investigate the affairs of a limited partnership think it necessary for the purposes of their investigation to investigate also the affairs of another limited partnership which is or at any relevant time was managed by any general partner of the first mentioned limited partnership, they shall have power to do so; and they shall report on the affairs of the other limited partnership so far as they think that the results of their investigation of the affairs of the other limited partnership are relevant to the investigation of the affairs of the first mentioned limited partnership.

Powers of inspectors.

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(2) Inspectors so appointed may at any time in the course of their investigation, without the necessity of making an interim report, inform the Minister and the Attorney General of matters coming to their knowledge as a result of the investigation tending to show that an offence has been committed.

40. (1) If inspectors appointed under Section 38 consider that any person is or may be in possession of information relating to a matter which they believe to be relevant to the investigation, they may require him -

Production of records and evidence to inspectors.

- (a) to produce and make available to them all records in his custody or power relating to that matter;
- (b) at reasonable times and on reasonable notice, to attend before them; and
- (c) otherwise to give them all assistance in connexion with the investigation which he is reasonably able to give,

and it is that person's duty to comply with the requirement.

(2) Inspectors may for the purposes of the investigation examine on oath any such person as is mentioned in sub-section (1), and may administer an oath accordingly.

(3) An answer given by a person to a question put to him in exercise of the powers conferred by this Section may be used in evidence against him.

41. If inspectors appointed under Section 38 have reasonable grounds for believing that a partner, or past partner, of the limited partnership or other limited partnership whose affairs they are investigating maintains or has maintained a bank account of any description, whether alone or jointly with another person and whether in the Federation or elsewhere, into or out of which there has been paid money which has been in any way connected with an act or omission, or series of acts or omissions, which constitutes misconduct (whether fraudulent or not) on the part of that partner towards the limited partnership, the inspectors may require the partner to produce and make available to them all records in the partner's possession or under his control relating to that bank account.

Power of inspectors to call for partners' bank accounts.

42. (1) Inspectors appointed under Section 38 may for the purpose of an investigation under that Section apply to the Court for a warrant under this Section in relation to specified premises.

Authority for search.

(2) If the Court is satisfied that the conditions in sub-section (3) are fulfilled it may issue a warrant authorizing a police officer and any other person named in the warrant to enter the specified premises (using such force as is reasonably necessary for the purpose) and to search them.

(3) The conditions referred to in sub-section (2) are -

- (a) that there are reasonable grounds for suspecting that there is on the premises material (whether or not it can be particularised) which is likely to be of substantial value (whether by itself or together with other material) to the investigation for the purpose of which the application is made; and
- (b) that the investigation for the purposes of which the application is made might be seriously prejudiced unless immediate entry can be secured to the premises.

(4) Where a person has entered premises in the execution of a warrant issued under this Section, he may seize and retain any material, other than items subject to legal professional privilege, which is likely to be of substantial value (whether by itself or together with other material) to the investigation for the purpose of which the warrant was issued.

(5) In this Section, "premises" includes any place and, in particular, includes -

- (a) any vehicle, vessel, aircraft or hovercraft;

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- (b) any offshore installation; and
- (c) any tent or movable structure.

43. Any person who wilfully obstructs any person acting in the execution of a warrant issued under Section 42 is guilty of an offence and liable to imprisonment for a term not exceeding 2 years or a fine or both.

Obstruction.

44. (1) If any person -

- (a) fails to comply with a requirement under Section 40 or 41; or
- (b) refuses to answer any question put to him by the inspectors for the purpose of the investigation,

Failure to co-operate with inspectors.

the inspectors may certify the refusal in writing to the Court.

(2) The Court may thereupon inquire into the case and, after hearing any witness who may be produced against or on behalf of the alleged offender and any statement in defence, the Court may punish the offender as if he had been guilty of contempt of the Court.

(3) Notwithstanding the generality of the foregoing, no proceedings for an offence or for the recovery of any penalty shall be instituted under this Section against any person who refuses to answer any question if such refusal is made pursuant to Section 68.

45. (1) The inspectors may, and if so directed by the Minister shall, make interim reports to the Minister and on the conclusion of their investigation shall make a final report to the Minister.

Inspectors' reports.

(2) The Minister may -

- (a) forward a copy of any report made by the inspectors to the office for service of the limited partnership;
- (b) furnish a copy on request and on payment of the prescribed fee to -
 - (i) any partner of the limited partnership or other limited partnership which is the subject of the report,
 - (ii) any person whose conduct is referred to in the report,
 - (iii) the auditors (if any) of the limited partnership or that other limited partnership,
 - (iv) the applicants for the investigation,
 - (v) any other person whose financial interests appear to the Minister to be affected by the matters dealt with in the report, whether as a creditor of the limited partnership or that other limited partnership, or otherwise;

(c) cause the report to be printed and published.

46. (1) If, from any report made or information obtained under this Part, it appears to the Minister that civil proceedings ought in the public interest to be brought by the general partners of a limited partnership, the Minister may himself bring those proceedings in the name and on behalf of the general partners of the limited partnership.

Power to bring civil proceedings on behalf of general partners.

(2) The Minister shall at the expense of the Government indemnify the general partners against any costs or expenses incurred by them or the limited partnership in or in connexion with proceedings brought under this Section.

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47. (1) The expenses of and incidental to an investigation by inspectors shall be defrayed in the first instance by the Minister, but the following are liable to make repayment to the Minister to the extent specified -

Expenses of investigating a limited partnership's affairs.

- (a) a person who -
 - (i) is convicted in proceedings on a prosecution instituted as a result of the investigation, or
 - (ii) is ordered to pay the whole or any part of the proceedings brought under Section 46,may in the same proceedings be ordered to pay those expenses to the extent specified in the order;
- (b) a limited partnership in whose name proceedings are brought under that Section is liable to the amount or value of any sums or property recovered by it as a result of those proceedings;
- (c) a limited partnership which has been the subject of the investigation is liable except so far as the Minister otherwise directs; and
- (d) the applicant or applicants for the investigation (other than the Registrar), is or are liable to the extent (if any) which the Minister may direct.

(2) For the purposes of this Section, costs or expenses incurred by the Minister in or in connexion with proceedings brought under Section 46 (including expenses incurred under sub-section (2) of it) are to be treated as expenses of the investigation giving rise to the proceedings.

(3) A liability to repay the Minister imposed by paragraph (a) or (b) of sub-section (1) is (subject to satisfaction of his right to repayment) a liability also to indemnify all persons against liability under paragraph (c) or (d) of that sub-section; and a liability imposed by paragraph (a) is (subject as mentioned above) a liability also to indemnify all persons against liability under paragraph (b).

(4) A person liable under sub-section (1) is entitled to a contribution from any other person liable under the same sub-section according to the amount of their respective liabilities under it.

(5) Expenses to be defrayed by the Minister under this Section shall, so far as not recovered under it, be paid out of money provided by the Government.

(6) There shall be treated as expenses of the investigation, in particular, such reasonable sums as the Minister may determine in respect of general staff costs and overheads.

48. (1) A copy of a report of inspectors certified by the Minister to be a true copy, is admissible in legal proceedings as evidence of the opinion of the inspectors in relation to a matter contained in the report.

Inspectors' report to be evidence.

(2) A document purporting to be a certificate mentioned in sub-section (1) shall be received in evidence and be deemed to be such a certificate unless the contrary is proved.

49. Nothing in this Part requires the disclosure or production to the Minister or to an inspector appointed by him -

Privileged information.

- (a) by a person of information or records which he would in an action in the Court be entitled to refuse to disclose or produce on the grounds of legal professional privilege in proceedings in the Court except, if he is a lawyer, the name and address of his client;

- (b) by the bankers (as such) of a limited partnership of information or records relating to the affairs of any of their customers other than the limited partnership or other limited partnership under investigation.

PART VIII

Unfair Prejudice

50. (1) A partner of a limited partnership may apply to the Court for an order under Section 51 on the ground that the limited partnership's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of the partners generally or of any of them (including at least himself) or that an actual or proposed act or omission of any general partner of the limited partnership (including an act or omission on behalf of the limited partnership) is or would be so prejudicial.

Power to apply to Court.

(2) The Minister may apply to the Court for an order under Section 51 if -

- (a) the Minister has received a report under Section 45; and
- (b) it appears to the Minister that the limited partnership's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of the partners generally or of any of them, or that an actual or proposed act or omission of any general partner of the limited partnership (including an act or omission on behalf of the limited partnership) is or would be so prejudicial.

51. (1) If the Court is satisfied that an application under Section 50 is well founded, it may make such order as it thinks fit for giving relief in respect of the matters complained of.

Powers of Court.

(2) Without prejudice to the generality of sub-section (1), the Court's order may -

- (a) regulate the conduct of the limited partnership's affairs in the future;
- (b) require any general partner to refrain from doing or continuing an act complained of by the applicant or to do an act which the applicant has complained it has omitted to do;
- (c) authorize civil proceedings to be brought in the name and on behalf of the limited partnership by such person or persons and on such terms as the Court may direct;

(3) If an order under this Section requires the partners not to make any, or any specified, alterations in the partnership agreement, the partners shall not then without leave of the Court make such alterations in breach of that requirement.

(4) An alteration in the partnership agreement made by virtue of an order under this Section is of the same effect as if duly made by the partners, and the provisions of this Act apply to the partnership agreement as so altered accordingly.

(5) The act of the Court recording the making of an order under this Section altering, or giving leave to alter, a partnership agreement shall, within 14 days from the making of the order or such longer period as the Court may allow, be delivered by a general partner to the Registrar for registration, and if default is made in compliance with this sub-section every general partner who is in default is guilty of an offence and is liable to a fine not exceeding 2,500 dollars.

PART IX

Registrar

52. (1) For the purposes of the registration of declarations under this Act, there shall be appointed a person known as the Registrar of limited partnerships and such other officers as may be necessary to assist the Registrar in the exercise of his functions under this Act.

Registrar and other officers.

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(2) Any functions of the Registrar under this Act may, to the extent authorized by him, be exercised by any of his officers.

(3) In this Section, "officer" means a person on the staff of the Registrar.

(4) The Minister may at any time and from time to time by Order require that the registrar of companies appointed pursuant to the Companies Act 1996 shall also be the Registrar of limited partnerships for such period or periods of time as may then be prescribed.

53. The Minister may direct a seal or seals to be prepared for the authentication of documents required for or in connexion with the establishment of limited partnerships.

Registrar's seal.

54. (1) The Registrar shall allocate to every declaration a number, which shall be known as the declaration registration number of a limited partnership.

Registration numbers.

(2) The declaration registration numbers of limited partnerships shall be in such form, consisting of one or more sequences of figures or letters as the Registrar may from time to time determine.

(3) The Registrar may upon adopting a new form of registration number make such changes of existing registration numbers as appear to him necessary.

55. (1) For the purpose of securing that documents delivered to the Registrar are of standard size, durable and easily legible, the Minister may prescribe requirements (whether as to size, weight, quality or colour of paper, size, type or colouring of lettering, or otherwise) as the Minister may consider appropriate; and different requirements may be prescribed for different documents or classes of documents.

Size, durability, etc. of documents delivered to the Registrar.

(2) If a document is delivered to the Registrar (whether an original document or a copy) which in the Registrar's opinion does not comply with the prescribed requirements applicable to it, the Registrar may serve on a person by whom the document was delivered (or, if there are two or more such persons, on any of them) a notice stating his opinion to that effect and indicating the requirements so prescribed with which in his opinion the document does not comply.

(3) Where the Registrar serves a notice under sub-section (2), then for the purposes of any enactment which enables a penalty to be imposed in respect of an omission to deliver to the Registrar a document required to be delivered under that provision (and, in particular, for the purposes of any such enactment whereby such a penalty may be imposed by reference to each day during which the omission continues) -

- (a) a duty imposed by that provision to deliver a document to the Registrar is to be treated as not having been discharged by the delivery of that document; but
- (b) no account is to be taken of days falling within the period beginning with the day on which the document was delivered to the Registrar and ending with the 14th day after the date of service of the notice under sub-section (2).

56. (1) Where any Section of this Act requires a document to be delivered to the Registrar, but the form of the document has not been prescribed, it shall be sufficient compliance with that requirement if -

Form of documents to be delivered to the Registrar.

- (a) the document is delivered in a form which is acceptable to the Registrar; or
- (b) the information in question is delivered in material other than a document, being material which is acceptable to the Registrar,

and the document or information, as the case may be, is accompanied by the prescribed fee, if any.

(2) In this Section and Section 57, any reference to delivering a document includes, in the case of a notice, giving it.

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57. (1) The Minister may by Order require the payment to the Registrar of such fees as may be prescribed in respect of - Fees and forms.

- (a) the performance by the Registrar of such functions under this Act as may be specified in the Order, including the receipt by him of any document under this Act which is required to be delivered to him; and
- (b) the inspection of documents or other material held by him under this Act.

(2) Where a fee is provided for or charged under this Section for the performance of an act or duty by the Registrar, no action need be taken by him until the fee is paid, and where the fee is payable on the receipt by him of a document required to be delivered to him he shall be deemed not to have received it until the fee is paid.

(3) The Minister may prescribe forms to be used for any of the purposes of this Act and the manner in which any document to be delivered to the Registrar is to be authenticated.

(4) Unless otherwise provided by or under this Act, any document delivered to the Registrar on behalf of a limited partnership pursuant to this Act shall be signed by one general partner.

(5) Fees paid to the Registrar shall form part of the Consolidated Fund.

58. (1) Subject to the provisions of this Section, a person may -

- (a) inspect a document delivered to the Registrar under this Act or, if the Registrar thinks fit, a copy thereof;
- (b) require a certificate of registration in respect of the declaration of the limited partnership or a copy, certified or otherwise, of any other document or part of any other document referred to in paragraph (a),

Inspection and production of documents kept by the Registrar.

and a certificate given under paragraph (b) shall be signed by the Registrar and sealed with his seal.

(2) A copy of or extract from a record kept by the Registrar, certified in writing by him (whose official position it is unnecessary to prove) to be an accurate copy of such record delivered to him under this Act shall in all legal proceedings be admissible in evidence as of equal validity with the original record and as evidence of any fact stated therein of which direct oral evidence would be admissible.

59. (1) If a general partner, having failed to comply with a provision of this Act which requires him to deliver to the Registrar any document, or to give notice to the Registrar of any matter, does not make good the failure within 14 days after the service of a notice on the general partner requiring him to do so, the Court may, on an application made to it by a partner or creditor of the limited partnership or by the Registrar, make an order directing the general partner to make good the failure within a time specified in the order.

Enforcement of duty to deliver documents and notices to the Registrar.

(2) The Court's order may provide that all costs of and incidental to the application shall be borne by the general partner responsible for the failure.

(3) Nothing in this Section prejudices the operation of any Section imposing penalties on each of the general partners in respect of a failure mentioned above.

60. (1) The Registrar may destroy any records delivered under this Act which have been kept for over 30 years and which were, or were comprised in or annexed or attached to, the accounts or annual statements of a limited partnership.

Destruction of old records.

(2) Where a limited partnership has been dissolved, whether under this Act or otherwise, the Registrar may, at any time after 30 years from the date of the dissolution, destroy any records relating to that limited partnership in his possession or under his control.

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61. (1) If the Registrar has reason to believe that a limited partnership is not carrying on business or in operation, he may send to each of the general partners of the limited partnership by post a letter inquiring whether the limited partnership is carrying on business or in operation.

Registrar may cancel registration of declaration of defunct limited partnership.

(2) If the Registrar receives an answer to the effect that the limited partnership is not carrying on business or in operation, or does not within 1 month after sending the letter receive an answer, he may publish in *the Gazette*, and send to each of the general partners of the limited partnership by post, a notice that at the end of 3 months from the date of that notice the registration of the declaration of the limited partnership named in it will, unless reason is shown to the contrary, be cancelled and the limited partnership will be dissolved.

(3) At the end of the period mentioned in the notice the Registrar may, unless reason to the contrary is previously shown by a partner or creditor of the limited partnership, cancel the registration of its declaration, and shall publish notice of this in *the Gazette*; and on the cancellation of the registration of its declaration the limited partnership is dissolved; but the liability (if any) of every partner of the limited partnership continues and may be enforced as if the limited partnership had not been dissolved.

(4) A notice to be sent under this Section to a creditor may be addressed to him at his last known place of business.

PART X

Taxes and Stamp Duties

62. (1) Notwithstanding any provision to the contrary in any enactment, a limited partnership is not itself a subject for assessment to any tax in the Federation and the partners of a limited partnership are exempt from all income, capital gains and withholding taxes which may arise out of their interest in the limited partnership if the general partners of the limited partnership are in respect of it carrying on business exclusively with persons who are not resident in the Federation.

Exemption from taxes.

(2) The partners of an exempt limited partnership shall not lose their exemption under sub-section (1) by reason only that the general partners of the limited partnership are in respect of it -

- (a) carrying on business with, or buying or selling or otherwise dealing in any securities issued or created by, or acting as manager or agent for or consultant or adviser to, any person resident in the Federation who is exempt from all income, capital gains and withholding taxes under any law of the Federation;
- (b) effecting or concluding in the Federation contracts or arrangements (including contracts or arrangements with any person resident in the Federation for employment with or the supply of goods and services to them in respect of the limited partnership) and exercising in the Federation all other powers, so far as may be necessary for the purpose of enabling them to carry on the business of the limited partnership;
- (c) administering the affairs of the limited partnership within the Federation and holding meetings of its partners in the Federation;
- (d) owning or leasing property in the Federation for the carrying on of the business of the limited partnership or as residence for its partners or employees;
- (e) re-insuring risks undertaken by any person resident in the Federation who is authorized to carry on insurance business under any law of the Federation; or
- (f) transacting banking business with any person resident in the Federation who is authorized to carry on banking business under any law of the Federation.

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(3) Notwithstanding any provision to the contrary in any enactment, no estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by any person with regard to any property owned by, or securities issued or created in respect of, an exempt limited partnership.

(4) In this Section -

- (a) "person" includes an individual and any body corporate; and
- (b) "resident in the Federation" means a person who ordinarily resides within the Federation or carries on business from an office or other fixed place within the Federation but does not include the partners of an exempt limited partnership and "not resident in the Federation" shall be construed accordingly.

63. Notwithstanding any provision to the contrary in any enactment, no stamp duties are payable by any person with regard to any transaction in securities issued or created in respect of an exempt limited partnership.

Exemption from stamp duties.

PART XI

Miscellaneous and Final Provisions

64. (1) The records, which the general partners of a limited partnership is required by this Act to keep, may be kept in the form of a bound or loose-leaf book, or photographic film, or may be entered or recorded by a system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable time.

Form of limited partnership's records.

(2) The general partners of a limited partnership shall take reasonable precautions -

- (a) to prevent loss or destruction of;
- (b) to prevent falsification of entries in; and
- (c) to facilitate detection and correction of inaccuracies in,

the records required by this Act to be kept, and if default is made in compliance with this sub-section every general partner who is in default is guilty of an offence and liable to a fine not exceeding 2,500 dollars.

65. (1) If any record referred to in sub-section (4) of Section 21 is kept otherwise than in intelligible written form, any duty imposed on the general partners of a limited partnership by this Act to allow examination of, or to furnish extracts from, such record shall be treated as a duty to allow examination of, or to furnish a copy of the extract from, the record in intelligible written form.

Examination of records and admissibility of evidence.

(2) The records kept by the general partners of a limited partnership in compliance with this Act shall be admissible in the form in which they are made intelligible under sub-section (1) as *prima facie* evidence, before and after the dissolution of the limited partnership, of all facts stated therein.

66. If, on an application by the Attorney General, there is shown to be reasonable cause to believe that a person has, while a general partner of a limited partnership, committed an offence in connexion with the management of the limited partnership's affairs and that evidence of the commission of the offence is to be found in any records of or under the control of the general partner, the Court may make an order -

Production and inspection of records where offence suspected.

- (a) authorizing a person named in it to inspect the records in question, or any of them, for the purpose of investigating and obtaining evidence of the offence; or

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- (b) requiring any partner of the limited partnership named in the order to produce and make available the records (or any of them) to a person named in the order at a place so named.

67. Where any proceedings are instituted under this Act against any person, nothing in this Act is to be taken to require any person to disclose any information which he is entitled to refuse to disclose on grounds of legal professional privilege in proceedings in the Court. Legal professional privilege.

68. A person may refuse to answer any question put to him pursuant to any provision of this Act if his answer would tend to expose that person, or the spouse of that person, to proceedings under the law of the Federation for an offence or for the recovery of any penalty. Right to refuse to answer questions.

69. (1) If in proceedings for negligence, default, breach of duty or breach of trust against a general partner of the limited partnership or a person employed by a limited partnership as auditor it appears to the Court that that general partner or person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and that having regard to all the circumstances of the case (including those connected with his appointment) he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, the Court may relieve him, either wholly or partly, from his liability on such terms as it thinks fit. Power of Court to grant relief in certain cases.

(2) If a general partner or person mentioned in sub-section (1) has reason to apprehend that a claim will or might be made against him in respect of negligence, default, breach of duty or breach of trust, he may apply to the Court for relief; and the Court on the application has the same power to relieve him as it would have had if proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.

70. (1) Any person who makes a statement in any document, material, evidence or information which is required to be kept under sub-section (4) of Section 21 or which is required to be delivered to the Registrar under this Act that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact or that omits to state any material fact, the omission of which makes the statement false or misleading, shall be guilty of an offence and liable to imprisonment for a term not exceeding 2 years or a fine or both. Punishment of offences.

(2) A person shall not be guilty of an offence under paragraph (1) if he did not know that the statement was false or misleading and in the exercise of reasonable diligence could not have known that the statement was false or misleading.

71. Any person who knowingly or wilfully aids, abets, counsels, causes, procures or commands the commission of an offence punishable by this Act shall be liable to be dealt with, tried and punished as a principal offender. Accessories and abettors.

72. (1) Where, on the application of the Attorney General or the Registrar, the Court is satisfied that any person has failed to comply with any requirement made by or pursuant to this Act, or has committed any breach of duty as a general partner of the limited partnership, it may order that person to comply with that requirement or, so far as the breach of duty is capable of being made good, make good the breach. General powers of the Court.

(2) The Court shall not make an order against any person under this Section unless the Court has given that person the opportunity of adducing evidence and being heard in relation to the matter to which the application relates.

73. (1) The Minister may by Order make provision for the purpose of carrying this Act into effect and, in particular, but without prejudice to the generality of the foregoing, for prescribing any matter which may be prescribed by this Act. Orders.

(2) Except insofar as this Act otherwise provides, any power conferred thereby to make any Order may be exercised -

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- (a) either in relation to all cases to which the power extends, or in relation to all those cases subject to specified exceptions, or in relation to any specified cases or classes of case; and
- (b) so as to make in relation to the cases in relation to which it is exercised -
 - (i) the full provision to which the power extends or any less provision (whether by way of exception or otherwise), or
 - (ii) the same provision for all cases in relation to which the power is exercised or different provisions for different cases or classes of case, or different provisions as respects the same case or class of case for different purposes of this Act, or
 - (iii) any such provision either unconditionally or subject to any specified conditions.

(3) Without prejudice to any specific provision of this Act, any Order under this Act may contain such transitional, consequential, incidental or supplementary provisions as appear to the Minister to be necessary or expedient for the purposes of the Order.

74. (1) The rules of customary law applicable to partnerships shall apply to limited partnerships except in so far as they are inconsistent with the express provisions of this Act.

Saving.

(2) The Minister may, by Order, make provision for any other transitional matter connected with the coming into force of this Act.

75. (1) The Minister may by Order provide that the general partners of a limited partnership shall be subject to such regulations as he may prescribe if they are in respect of the limited partnership intending to carry on or are carrying on any business specified in the Order as being finance business.

Regulation of
finance business.

(2) An Order under this Section may provide for the payment of annual and other fees and for the imposition of fines and daily default fines for breaches of the matters specified in the Order.

WALFORD V. GUMBS
Speaker.

Passed the National Assembly this 3rd day of December, 1996.

F. ALPHONSO LEWIS
Clerk of the National Assembly.