

# Limited Partnerships Guidelines



## FINANCIAL SERVICES AUTHORITY

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## **1. INTRODUCTION**

These guidelines have been issued by the Registrar of Limited Partnerships (the “Registrar”), the Financial Services Authority (“FSA”), to provide a summary of the Limited Partnerships Act, 2003 (the “Act”) and to assist in making licensed International Corporate Service Providers (“ICSPs”) aware of the processes and procedures involved in their dealings with the Registrar in relation to limited partnerships registered under the Act.

These guidelines are not exhaustive, are intended as a general summary only and should be read with the relevant provisions in the Act. The Registrar does not provide legal advice. It is recommended that ICSPs and limited partnerships, as the case may be, obtain independent expert legal advice.

## **2. BACKGROUND**

The Seychelles limited partnership is a legal arrangement where two or more persons can form a limited partnership, but the partnership must consist of one or more general partners and one or more limited partners. A body corporate may be a general partner or a limited partner, and a general partner may hold an interest as a limited partner. A limited partnership must carry its business outside the Seychelles, except where the carrying of business in Seychelles is necessary for the business of that limited partnership outside of Seychelles.

## **3. REGISTRATION OF A LIMITED PARTNERSHIP**

- 3.1 An application for the registration of a limited partnership must be made to the Registrar of Limited Partnerships (“Registrar”) (i.e. the Financial Services Authority) by filing with the Registrar a statement signed by or on behalf of the general partner containing the following particulars:
- (a) The name of the limited partnership
  - (b) The general nature of the business of the limited partnership
  - (c) The address in Seychelles of the registered office of the limited partnership
  - (d) The full name and address of the designated general partner, and of any other general partner and, in the case of a corporate general partner, the certificate of incorporation or registration and a certificate of good standing (or any similar document under the laws of the jurisdiction of incorporation) dated not more than 3 months from the date that the application is made, must be annexed to the statement or, where applicable, a certificate of good standing and a certificate of registration under Part VII of Companies Act, 1972
  - (e) A declaration stating that the limited partnership shall not carry on business in Seychelles except so far as may be necessary for the carrying on of the business of that limited partnership outside Seychelles
  - (f) The name and address of the registered agent of the limited partnership

- 3.2 The application for registration must be accompanied by a registration fee of US\$ 200.
- 3.3 Upon being satisfied with the application, the Registrar shall issue a Certificate of Registration specifying the date on which the registration of the limited partnership shall take effect. The certificate shall be conclusive evidence that all the requirements of the Act in respect of the formation and registration of the limited partnership have been complied with.

#### **4. NAME OF LIMITED PARTNERSHIP**

- 4.1 Before a limited partnership can be registered, the registered agent must make a formal request to the Registrar for the reservation of a proposed name.
- 4.2 The proposed name of a limited partnership must include the words "Limited Partnership", "L.P." or "LP" and may include the name of any general partner or limited partner or any derivation thereof.
- 4.3 The proposed name of the limited partnership must not:
  - (a) be the identical or similar to the name of an existing Seychelles' entity
  - (b) suggest the patronage of or a connection with any government
  - (c) suggest that the partnership is licensed in Seychelles or elsewhere to carry on any type or class of business when it is not in fact licensed to do so, or
  - (d) be otherwise calculated or likely to mislead the public.

#### **5. GENERAL PARTNER**

- 5.1 One or more general partners shall be responsible for the administering and managing of the limited partnership.
- 5.2 The Act requires at least one of the general partner of the limited partnership to be either an international business company (IBC) under the International Business Companies Act or a company issued with a special licence (CSL) under the Companies (Special Licences) Act.
- 5.3 The general partner will be responsible for the signing on behalf of the limited partnership any letters, contracts, deeds instruments and documents. However, general partners shall be liable to any debts and obligations if the liabilities exceed the assets of the limited partnership.

#### **6. LIMITED PARTNER**

- 6.1 A limited partner of a limited partnership, subject to the terms of the partnership agreement may reside in or outside Seychelles.

- 6.2 The limited partners shall not be liable to any debts and obligations exceeding the assets of the limited partnership.
- 6.3 A limited partner shall not take part in the conduct of the business of the limited partnership. A limited partner is not deemed to be taking part in the conduct of the limited partnership if the conduct of business falls within the meaning of the following:
- (a) Being a contractor 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 business of the limited partnership
  - (c) Investigating, reviewing, approving or being advised as to the accounts or business affairs of the limited partnership or exercising and right conferred in the Act
  - (d) Acting as a 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 as a limited partner on any matter
- 6.4 Nevertheless, if the limited partner takes part in the conduct of the business of the limited partnership with its dealings with persons who are not partners, the limited partner shall be liable in the event of the insolvency of the limited partnership for all debts and obligations of that limited Partnership incurred during the period in which he so participates in the conduct of the business as though he were for such period a general partner. Provided always that the limited partner shall be rendered liable only to a person who transacts business with the limited partnership during such period with actual knowledge of such participation and reasonable belief that such limited partner was a general partner.

## **7. REGISTERED AGENT**

- 7.1 Section 6A of the Act requires every limited partnership to at all times have a registered agent in Seychelles and the registered agent must be a person licensed to provide international corporate services under the International Corporate Service Providers Act.
- 7.2 A change in registered agent will constitute a change to the registered particulars filed with the Registrar under section 9(1) of the Act and therefore the procedures mentioned below in paragraph 9 will need to be followed.
- 7.3 All matters relating to the appointment or change of registered agent must be done in accordance with the partnership agreement.
- 7.4 A person wishing to resign as the registered agent of a limited partnership must inform the limited partnership in writing, in line with its contractual agreement with the client.

## **8. REGISTERED OFFICE**

Every limited partnership must have a registered office in Seychelles for the service of process and delivery of all notices and communications. The address of the registered office must be the same address as the principal place of business of the limited partnership's registered agent in Seychelles.

## **9. CHANGES TO REGISTERED PARTICULARS**

- 9.1 If any particulars contained in the statement filed under section 9(1) of the Act are to be amended, the general partner shall have 60 days to file that change with the Registrar.
- 9.2 However, in the event that a general partner ceases to be a general partner, a statement signed by another general partner in respect of the arrangement or transaction shall be filed with the Registrar within 15 days of the arrangement or transaction. Unless such statement is filed, the arrangement or transaction, and the partnership agreement will be of no effect. Anything which seeks to relieve a general partner of his obligations shall have no effect unless written consent is given by those who will be affected by the change.
- 9.3 The name of the limited partnership may be changed and will be subject to the same procedures as in paragraph 9.1 above. However, the change of name shall not contravene section 6(1) of the Act.
- 9.4 The fee for the filing a statement of change in registered particulars of the limited partnership is US\$50.

## **10. REGISTER OF LIMITED PARTNERSHIP INTEREST**

- 10.1 The designated general partner shall maintain at the registered office a register containing the following particulars (in such form as the general partner may approve):
  - (a) The name and address of each partner
  - (b) The amount of contribution or contributions by each partner
  - (c) The date the contribution or contributions were made by each partner
  - (d) The date of any payment representing a return of any part of the contribution of any partner
- 10.2 This register shall be made available for inspection and copying free of charge of any particulars to any partner upon request to do so.

## **11. ANNUAL RETURN AND ANNUAL FEE**

In January of every year, a limited partnership shall file an annual return with the Registrar, signed by or on behalf of a general partner certifying that the limited partnership has during the prior calendar year complied with the provisions of the Act and pay to the Registrar an annual fee of

US\$200. Where a limited partnership fails to file its annual return and pay its annual fee, it shall be liable to a penalty of US\$25 for each day that such default continues.

## 12. CERTIFICATE OF GOOD STANDING

- 12.1 A Certificate of Good Standing will be issued by the Registrar, if it is satisfied that the limited partnership is duly registered under the Act, the limited partnership is on the Register of Limited Partnerships and the limited partnership has paid all fees and penalties due and payable.
- 12.2 A request for a Certificate of Good Standing must be accompanied by a fee of US\$25 (note that this fee is not applicable if the certificate is requested at the time of the registration of the limited partnership).

## 13. KEEPING OF ACCOUNTING RECORDS AND FINANCIAL SUMMARY

### Accounting Records

- 13.1 Section 11A(1) of the Act requires every general partner of a limited partnership to keep reliable accounting records that are sufficient to show and explain the limited partnership's transactions, enable the financial position of the limited partnership to be determined with reasonable accuracy at any time and allow for financial statements of the limited partnership to be prepared. For such purposes, accounting records shall be deemed not to be kept if they do not give a true and fair view of the limited partnership's financial position and explain its transactions.
- 13.2 A limited partnership shall preserve its accounting records for at least 7 years from the date of completion of the transactions or operations to which they each relate.
- 13.3 Under section 2 of the Act, "**accounting records**", in relation to a limited partnership, means documents in respect of the limited partnership's assets and liabilities, the receipts and expenditure of the limited partnership and the sales, purchases and other transactions to which the limited partnership is a party. Following this definition, it implies that accounting records (including the underlying documents) can take on many forms and includes:
- (a) Bank statements
  - (b) Receipts and Invoices
  - (c) Vouchers
  - (d) Title documents
  - (e) Contracts and agreements
  - (f) Ledgers
  - (g) Any other documentation underpinning a transaction

- 13.4 Where a limited partnership keeps its accounting records outside Seychelles, section 11A(3) of the Act requires the limited partnership to lodge these accounting records at its registered office in Seychelles. A limited partnership may either keep the original accounting records or a copy of the accounting records in electronic form at its registered office. However, where a limited partnership keeps a copy of its accounting records at its registered office or where the limited partnership's original accounting records are kept in Seychelles at a place other than its registered office, the limited partnership must notify its Registered Agent in writing of the physical address of that place (section 11A(4A) of the Act). Note that the Seychelles' authorities maintain the right to request for the original records. It is sufficient if the Limited partnership provides the Registered Agent with an emailed scanned copy of the completed, signed and dated Notice.
- 13.5 Increasingly, accounting records are likely to exist purely in electronic form. This includes situations where contracts are signed electronically. It also includes banking statements and invoices which are also now regularly issued in paperless form. In such case where there are no physical originals, the electronic versions can be taken to constitute the original accounting records.
- 13.6 It is expected that some of the accounting records of a limited partnership will not be in the English or French language. While the Act does not require a translated version of the accounting record to be kept, the Act provides that the Registrar or other authorities may request from the limited partnership or the registered agent a translation of the record (section 24(1A) of the Act). However, the Registrar recommends that a translated version of the accounting records in the English or French language is being kept at all times.
- 13.7 The Act provides that the accounting records of a limited partnership should be kept at the registered office in Seychelles on a bi-annual basis, that is, at an interval of 2 times per year. In enforcing compliance with the accounting records keeping requirement, the Registrar will allow a delay for the records to be kept at the registered office in Seychelles as follows:
- (a) Accounting records relating to transactions or operations in the first half (January to June) of a calendar year must be kept in Seychelles by July of that year
  - (b) Accounting records relating to transactions or operations in the second half (July to December) of a calendar year must be kept in Seychelles by January of the following year
- 13.8 For clarity purposes, the following will apply in respect of existing accounting records (i.e. accounting records relating to the years prior to year 2022) and accounting records relating to year 2022 for companies on the Register:
- (a) Accounting records relating to transactions or operations in the past 7 years to 31<sup>st</sup> December, 2021 (i.e. records from 1<sup>st</sup> January, 2015) must be kept in Seychelles by 5<sup>th</sup> February, 2022
  - (b) Accounting records relating to transactions or operations in the first half (January to June) of 2022 must be kept in Seychelles by July 2022



(c) Accounting records relating to transactions or operations in the second half (July to December) of 2022 must be kept in Seychelles by January 2023

- 13.9 For clarity purposes, a limited partnership that is deregistered on or after 6th August, 2021 must ensure that any outstanding accounting records are lodged at its registered office in Seychelles by January or July, following the date that it is deregistered, in line with the above guidance.
- 13.10 In the case where a limited partnership has not yet traded, is dormant or otherwise has no assets or liabilities, the limited partnership must keep a declaration of such fact, which shall be regarded as sufficient compliance for the purpose of section 11A(4) of the Act. This would help satisfy the Registrar that there are no records available, either in Seychelles or abroad, for that particular period. See **Annexure 1** for a sample of the declaration. It is sufficient if the company provides the Registered Agent with an emailed scanned copy of the completed, signed and dated declaration.
- 13.11 Although the Act requires a limited partnership to lodge its accounting records in Seychelles at least 2 times per year, it is important to note that a limited partnership should keep its accounting records on a continuous basis (i.e. at all times) and therefore, any accounting record, either being kept in Seychelles or yet to be lodged in Seychelles, should be provided to the Seychelles' authorities upon request.
- 13.12 The Act provides a grace period for every limited partnership to keep its accounting records in Seychelles by 5th February, 2022. It is important to note that this grace period applies only in relation to the location of where the accounting records are to be kept (i.e. section 11A(3)(b) of the Act) and **not** in relation to the obligation to **keep** accounting records (i.e. section 11A(1) of the Act). Therefore, during the grace period, the Registrar may still request for the accounting records for compliance inspection purposes and if the accounting records are not provided, the Registrar will take enforcement action against the limited partnership. Similarly, a competent authority may request for the accounting records to be provided by the limited partnership during the grace period and if the limited partnership fails to comply, the relevant enforcement action may be taken by the competent authority against the limited partnership.

### **Financial Summary**

- 13.13 The Act also requires all limited partnerships to annually prepare a **Financial Summary** to be kept at their registered office in Seychelles (together with the other accounting records and underlying documents) within 6 months from the financial year end of the limited partnership.
- 13.14 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 of the change. For clarity purposes, where a limited partnership is incorporated at any time during a year and its financial year is the calendar year, its first Financial Summary is due by June of the following year.
- 13.15 The financial year of a limited partnership generally covers a period of 12 months. However, in the event that a limited partnership changes its financial year, the period covered by any Financial Summary cannot be a period greater than 15 months. If the period between the previous financial year end and the new financial year end is not

greater than 15 months, the limited partnership must prepare and keep a Financial Summary within 6 months of the new financial year end. However, if the period between the previous financial year end and the new financial year end is greater than 15 months, the limited partnership must prepare and keep a Financial Summary within 6 months from the start of the new financial year (which will cover the period from the last financial year end to the start of the new financial year), whereas the next Financial Summary shall be due within 6 months of the new financial year end.

Example 1: The financial year of Limited Partnership A is the calendar year (i.e. 31<sup>st</sup> December) (previous financial year) and Limited Partnership A prepares and keeps its Financial Summary for the financial year 2021 by June 2022. In 2022, the limited partnership decides to change its financial year to 31<sup>st</sup> March (new financial year). The period between the previous financial year end and the new financial year end is 15 months. Therefore, the next Financial Summary is due by September 2023 (i.e. 6 months from the new financial year end).

Example 2: The financial year of Limited Partnership B is 30<sup>th</sup> June (previous financial year) and Limited Partnership B prepares and keeps its Financial Summary, covering the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022, by December 2022. Then the limited partnership decides to change its financial year to the calendar year (i.e. 31<sup>st</sup> December) (new financial year). The period between the previous financial year end and the new financial year end is more than 15 months (i.e. 18 months). Therefore, the next Financial Summary is due by June 2023 (i.e. 6 months from the start of the new financial year), covering the financial period 1<sup>st</sup> July, 2022 to 31<sup>st</sup> December, 2022. The following Financial Summary is due by June 2024, covering the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

13.16 A sample of the form and content of the Financial Summary is provided in **Annexure 2** of these guidelines which must be adopted by all limited partnerships. However, the sub-categories (as provided in the footnote of the Annexure) must be listed accordingly depending on the type of activity that the limited partnership is undertaking. In view that the obligation for Financial Summary came into effect as of 6th August 2021, the first Financial Summary of a limited partnership should cover, at a minimum, the period from 6th August 2021 onwards.

13.17 However, where a limited partnership prepares and keeps its annual financial statements (audited or unaudited) at its registered office in Seychelles, the Registrar will not expect the limited partnership to also keep a Financial Summary, provided that the financial statements are kept for the relevant financial year and include the main category items detailed in **Annexure 2** and any relevant sub-category items. Such limited partnership will not be considered to be in contravention of Section 11A(3)(a) and hence, not be liable for penalties.

#### **Preservation of accounting records by registered agent**

13.18 As from 6<sup>th</sup> August, 2021, section 26 of the Act requires every registered agent to preserve the accounting records of limited partnerships that are in the possession of the registered agent. Each accounting record must be kept for at least 7 years from the date of completion of the transactions or operations to which they each relate. This obligation applies in relation to all limited partnerships to which the registered agent was or is acting as registered agent, which includes registered and deregistered limited partnerships.

13.19 For clarity purposes, a limited partnership that has been deregistered prior to 6<sup>th</sup> August, 2021 is no longer a limited partnership under the Act and is therefore not required to preserve accounting records under section 11A(1). During that same period, there was no requirement on the registered agent to preserve the accounting records that may have been in the possession of the registered agent. However, any accounting record of such deregistered limited partnerships that is **in the possession of the registered agent on or after 6<sup>th</sup> August, 2021** must be preserved accordingly by the registered agent.

13.20 Similarly, where a limited partnership has been struck-off prior to 6<sup>th</sup> August, 2021, any accounting records of such limited partnerships **in the possession of the registered agent on or after 6<sup>th</sup> August, 2021** must be preserved accordingly by the registered agent.

### **Ensuring compliance**

13.21 As of February 2022, the Registrar will initiate its on-site compliance inspections of random samples of limited partnerships to ensure that reliable accounting records are being kept by the limited partnership at its registered office in Seychelles. Where non-compliance is identified, relevant sanctions will be applied on the limited partnership. It is also to be noted that under the Code for ICSPs, registered agents are required to monitor compliance by limited partnerships under their administration with the accounting record requirements. In cases where the Authority identifies a registered agent which has failed to comply with its obligation under the Code for ICSPs, the relevant sanction will be applied against the registered agent.

## **14. DISSOLUTION**

14.1 A limited partnership shall not be dissolved by an act of the partners until the notice of dissolution, signed by a general partner, has been filed with the Registrar.

14.2 The court may order the dissolution of a limited partnership upon an application made by a partner or a creditor.

14.3 The death, insanity, retirement, bankruptcy, commencement of liquidation proceedings, resignation, insolvency or dissolution of the sole or last remaining general partner shall cause the dissolution of the limited partnership, unless new general partners are appointed within 30 days from the day of any of the aforementioned occurrences.

## **15. DEREGISTRATION**

15.1 The Registrar may issue a notice of deregistration if:

(a) any general partner, officer, manager or agent has in Seychelles or elsewhere in connection with the management or conduct of the affairs of that limited partnership committed an offence involving dishonesty, or has obtained credit or transfer or delivery of assets or performance of services by false representation made fraudulent or by dishonest concealment of material facts.

(b) the limited partnership has conducted illegal activities

- (c) the limited partnership has done any act which has harmed or is likely to harm the reputation of Seychelles
  - (d) the limited partnership has failed to maintain the register of beneficial owners under the Beneficial Ownership Act, or
  - (e) the limited partnership has failed to comply with a provision of the Act
- 15.2 A notice issued by the Registrar will contain the reasons for deregistration. The limited partnership will thereafter have one month to make written representation giving reason as to why the Registrar should not proceed with the deregistration.
- 15.3 If a written representation is made within one month, the Registrar will decide whether or not to proceed with the deregistration. If the partnership is aggrieved by the decision of the Registrar, the limited partnership may appeal to the Court.
- 15.4 Where the limited partnership does not make a written representation within the one-month period, the Registrar may deregister the limited partnership and that deregistration shall only take effect after 90 days. Within the 90-day period, the limited partnership may appeal to the Court against the notice of deregistration and the Court may annul the notice of deregistration if the court is satisfied that the grounds on which the notice of deregistration was made do not exist or that the notice of deregistration should be annulled for any other reason.
- 15.5 Subject to the terms of the partnership agreement, a general partner may also at any time deregister a limited partnership by filing a written notice with the Registrar.

## **16. APPLICATION OF PENALTY FEES**

- 16.1 Before imposing any penalty fee, the Registrar will give the person concerned an opportunity of being heard.
- 16.2 Where a limited partnership is found to be in non-compliance with its record keeping obligation (e.g. keeping of registers), the limited partnership will be granted 5 working days to make a written representation as to why the penalty fees should not be imposed.
- 16.3 Where the applicable penalty fee under the Act is set to a maximum level (e.g. under section 76(1)), different levels of penalty fees will be imposed by the Registrar in cases of non-compliance depending on the nature and seriousness of the non-compliance by the limited partnership in accordance with the Table of Penalties in **Annexure 3**.

**Annexure 1**

**ACCOUNTING RECORD DECLARATION**

**TO:** The Limited Partnership's Registered Agent in Seychelles

[ insert name & address of Registered Agent ]

[ insert date ]

Dear Sir

[ Insert Limited Partnership name ] Limited Partnership No: [ xxxx ] (the "Limited Partnership")

We, the general partner(s) of the Limited Partnership, hereby declare and confirm that (tick as appropriate):

- Since its registration in Seychelles, the Limited Partnership has not yet traded and has no assets or liabilities.
- For the relevant period the Limited Partnership has not traded and has not carried out any transactions.

Therefore, the Limited Partnership has no transaction for which it needs to lodge the relevant accounting records in Seychelles, for the period from [ insert relevant period, i.e. either from January to June or from July to December, as applicable ], [ insert year ].

Yours faithfully

Signature: \_\_\_\_\_

Name of General Partner / Authorised Signatory: \_\_\_\_\_  
For and on behalf of the Limited Partnership

Note:

The Act requires a Limited Partnership to keep reliable accounting records:

- (a) that are sufficient to show and explain the company's transactions;
- (b) that enable the financial position of the company to be determined with reasonable accuracy at any time; and
- (c) that allow for financial statements of the company to be prepared.

The accounting records should be kept at the registered office in Seychelles on a bi-annual basis, as follows:

- (a) Accounting records relating to transactions or operations in the first half (January to June) of a calendar year must be kept in Seychelles by July of that year
- (b) Accounting records relating to transactions or operations in the second half (July to December) of a calendar year must be kept in Seychelles by January of the following year

Annexure 2

**SAMPLE OF FINANCIAL SUMMARY**

Section 11A of the Limited Partnerships Act, 2003

FINANCIAL SUMMARY FOR FINANCIAL YEAR ENDING \_\_\_\_\_

**SUMMARY OF ASSETS AND LIABILITIES AS AT \_\_\_\_\_**

	USD	USD
Non-Current Assets <sup>1</sup>	XX,XXX	
	XX,XXX	
Current Assets <sup>2</sup>	XX,XXX	
	XX,XXX	
<b>TOTAL ASSETS</b>	<u>          </u>	<u>XXX,XXX</u>
Non-Current Liabilities <sup>3</sup>	XX,XXX	
	XX,XXX	
Current Liabilities <sup>4</sup>	XX,XXX	
	XX,XXX	
<b>TOTAL LIABILITIES</b>	<u>          </u>	<b>XXX,XXX</b>
Equity <sup>5</sup>	XX,XXX	
	XX,XXX	
<b>TOTAL EQUITY</b>	<u>          </u>	<b>XXX,XXX</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>XXX,XXX</u></u>

<sup>1</sup> List the sub-categories of Non-Current Assets (e.g. investments, properties, equipment, fixtures, etc.)

<sup>2</sup> List the sub-categories of Current Assets (e.g. inventory, debtors, bank/cash balances, etc.)

<sup>3</sup> List the sub-categories of Non-Current Liabilities (e.g. debentures, long-term loans, bonds payable, loans and other debts due to members, etc.)

<sup>4</sup> List the sub-categories of Current Liabilities (e.g. accounts payable, short-term debts, etc.)

<sup>5</sup> List the sub-categories of Equity (e.g. Partners' capital, revaluation reserve, other reserve, etc.)

**STATEMENT OF INCOME AND EXPENSES FOR THE PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

	<b>USD</b>
Sales	XX,XXX
Less: Cost of Sales	(XX,XXX)
<b>GROSS PROFIT</b>	<b>XX,XXX</b>
Other Income	XX,XXX
Less: Operational Expenses <sup>6</sup>	(XX,XXX)
Less: Non-Operational Expenses <sup>7</sup>	(XX,XXX)
<b>PROFIT BEFORE TAX</b>	<b>XX,XXX</b>
Tax	(XX,XXX)
<b>PROFIT AFTER TAX</b>	<b>XX,XXX</b>
Partners' remuneration and profit shares	(XX,XXX)
<b>NET INCOME/(LOSS)</b>	<b>XX,XXX</b>

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<sup>6</sup> List the sub-categories of Operational Expenses (e.g. rent, utilities, wages, salaries, overhead costs, etc.)

<sup>7</sup> List the sub-categories of Non- Operational Expenses (e.g. depreciation, research and development, etc.)

### Annexure 3

#### TABLE OF PENALTIES

This Table of Penalties provides guidance on the manner that the Registrar will impose the penalties provided for under relevant provisions of the Limited Partnerships Act, 2003 and may be amended from time to time by the Registrar.

In determining the level of non-compliance and the applicable penalty to be imposed on a company as specified in the table of penalties, the Registrar has taken into consideration the nature and seriousness of the non-compliance by the company.

For purposes of this Annexure, the term “per day for continued non-compliance” means the penalty applicable per day, starting from the day following which the non-compliance was identified.

#### **Section 10 [Changes in registered particulars]**

<b>Legal Provision</b>	<b>Non-compliance</b>	<b>Level of non-compliance</b>	<b>Applicable penalty</b>
Section 10(1)	Failure to file with the Registrar any changes (except for a change relating to the ceasing of a general partner) made in any particular contained in the statement filed under section 9(1) within 60 days of such change.	(a) Notification not made to registered agent within 60 days	(a) US\$ 500 + US\$ 25 per day for continued non-compliance (capped at US\$ 2,000)
Section 10(2)	Failure to file with the Registrar any changes relating to the ceasing of a general partner made in any particular contained in the statement filed under section 9(1) within 15 days of such change	(a) Notification not made to registered agent within 15 days	(a) US\$ 500 + US\$ 25 per day for continued non-compliance (capped at US\$ 3,000)

#### **Section 11 [Register of limited partnership interests]**

<b>Legal Provision</b>	<b>Non-compliance</b>	<b>Level of non-compliance</b>	<b>Applicable penalty</b>
Section 11(1)	Failure to maintain the register at the registered office and failure to update within 21 days of any change in the particulars	(a) No register maintained at registered office  (b) Information on register not updated within 21 days	(a) US\$ 10,000  (b) US\$ 1,000 + US\$ 100 per day for continued non-compliance



## Section 11A [Duty to keep accounting records]

Legal Provision	Non-compliance	Level of non-compliance	Applicable penalty
Section 11A(1)	Failure to keep proper accounting records	(a) Accounting records not being kept  (b) Partly kept accounting records <sup>8</sup>	(a) US\$ 10,000  (b) US\$ 2,000 to US\$10,000
Section 11A(3)(a)	Failure to prepare and keep annual financial summary at registered office in Seychelles within 6 months from the end of the financial year	(a) No financial summary being kept at the registered office	(a) US\$ 5,000 + US\$ 100 per day for continued non-compliance
Section 11A(3)(b)	Failure to keep, on a bi-annual basis, accounting records at the registered office in Seychelles	(a) No accounting records being kept at the registered office on bi-annual basis	(a) US\$ 5,000 + US\$ 100 per day for continued non-compliance
Section 11A(3A)	Failure to notify registered agent of change in the financial year	(a) Registered agent not notified of change in financial year	(a) US\$ 300
Section 11A(4A)	Failure to notify the registered agent in writing of the physical address of where the original accounting records are being kept	(a) Notification not made to registered agent	(a) US\$ 500 + US\$ 50 per day for continued non-compliance
Section 11A(4B)	Failure to notify the registered agent in writing of a change in the physical address of the place at which its original accounting records are kept within 14 days of the change	(a) Notification not made to registered agent	(a) US\$ 500 + US\$ 50 per day for continued non-compliance
Section 11A(5)	Failure to retain all accounting records for 7 years	(a) Accounting records not retained for at least 7 years <sup>9</sup>	(a) US\$ 2,000 to US\$ 10,000

<sup>8</sup> The level of penalty applicable will be on a case by case basis depending on the severity of non-compliance identified. For example, should most of the accounting records be available, then the penalty level would be in the lower range.

<sup>9</sup> The level of penalty applicable will be calculated on a case by case basis depending on whether the circumstances leading to the non-compliance are justifiable and to the satisfaction of the Authority.

## Section 26 [Preservation of Records]

<b>Legal Provision</b>	<b>Non-compliance</b>	<b>Level of non-compliance</b>	<b>Applicable penalty</b>
Section 26(1)	Failure by registered agent to preserve records for at least 7 years	(a) Records not preserved by registered agent for at least 7 years <sup>10</sup>	(a) US\$ 2,000 to US\$ 10,000
Section 26(2)	Failure by registered agent to hand over records to Registrar or any other person authorised by the Registrar	(a) Records not handed over to Registrar or any other person authorised by the Registrar	(a) US\$ 2,000 to US\$ 10,000

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<sup>10</sup> The level of penalty applicable will be calculated on a case by case basis depending on whether the circumstances leading to the non-compliance are justifiable and to the satisfaction of the Authority.