

# Limited Partnership

## Guidelines



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## **1. INTRODUCTION**

This Guide to register a Limited Partnership under the Limited Partnership Act, 2003 has been prepared to ensure that information about the above partnership is readily available to those interested.

The Guide provides a summary of the Act and also explanations to the application requirements expected from an applicant when providing the necessary information.

Please direct any questions to:

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## **2. BACKGROUND**

### **2.1 Scope of the Act**

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

A limited partner of a limited partnership, subject to the terms of the partnership agreement may reside in or outside Seychelles. However, at least one or more of the general partners of a limited partnership must be:

- a) an international business company under the International Business Companies Act;
- b) a company issued with a special licence under the Companies (Special Licences) Act; or
- c) any person resident outside of Seychelles;

Every Limited Partnership shall have a name which shall 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.

### **2.2 General Partner**

One or more general partners shall be responsible for the administering and managing of the Limited Partnership. 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.

### **2.2.1 Register of Limited Partnership interest**

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):

- The name and address of each partner
- The amount of contribution or contributions by each partner
- The date the contribution or contributions were made by each partner
- The date of any payment representing a return of any part of the contribution of any partner

This register shall be made available for inspection and copying free of charge of any particulars to any partner upon request to do so.

Should the designated partner fail to comply with the requirements of this section, the designated partner shall be liable to a penalty of US\$25 for each day that this contravention continues.

### **2.2.2 Duty to keep Accounting records**

The general partner shall ensure that proper accounting records, which give a true and fair view of the affairs of the limited partnership, are kept at the registered office of the limited partnership or in such other place as the general partners think fit. The records must:

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

Should the accounting records be kept at a place other than the registered office, the general partner shall keep a written record of the physical address of the place at which the accounting records are kept at the registered office.

Records shall be kept for seven years from the date of completion of the transaction.

Failure to comply with the provisions of this section will cause the general partner to be liable to a penalty of US\$25 for each day that the default continues payable to the Authority.

## **2.3 Limited Partner**

The limited partners shall not be liable to any debts and obligations exceeding the assets of the Limited Partnership. A limited partner shall not take part in the conduct of the business of the Limited Partnership. However, the limited partner is said not to take part in the conduct of the Limited Partnership if the conduct of business falls within the meaning of the following:

- 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.
- Consulting with and advising a general partner with respect to the business of the Limited Partnership.

- Investigating, reviewing, approving or being advised as to the accounts or business affairs of the Limited Partnership or exercising and right conferred in the Limited Partnership Act.
- Acting as a surety or guarantor for the Limited Partnership either generally or in respect of specific obligations.
- Approving or disapproving an amendment to the partnership agreement; or
- Voting as a limited partner on any matter.

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.

#### **2.4 What should be notified to the Registrar**

- A Limited Partnership shall file annual returns certifying compliance with the Act.
- In the event that during the continuance of a Limited Partnership, changes are made to the filed statement, the general partner must file the stated changes with the Registrar within 60 days of the said change.
- 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.
- Upon the decision to dissolve a Limited Partnership, notice of the dissolution signed by a general partner shall be filed with the Registrar.

### **3. APPLICATION REQUIREMENTS FOR REGISTRATION**

#### **3.1 Registration Statement**

Applications for the registration of a Limited Partnership must be made to the Registrar of Limited Partnership (FSA). This shall be done by filing to 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) 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.

### **3.2 Registration Fees**

The application must be accompanied by a fee of **US\$ 200.00**.

### **3.3 Certificate of Registration**

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 Limited Partnership Act, 2003 in respect of the formation and registration of a Limited Partnership have been complied with.

### **3.4 Certificate of Good Standing**

A certificate of Good Standing will be issued by the Registrar, if it is satisfied that the Limited Partnership is duly registered under the Limited Partnership Act, 2003, the Limited Partnership is on the Register of Limited Partnerships and the Limited Partnership has paid all fees and penalties due and payable.

A request for a certificate of Good Standing must be accompanied by a fee of US\$25, other than at the time of the registration of the limited partnership

### **3.5 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 Limited Partnerships Act 2003 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.

## **4. CHANGES TO REGISTERED PARTICULARS**

- 4.1 If any particulars contained in the statement filed under section 9(1) are to be amended, the general partner shall have 60 days to file that change with the Registrar of Limited Partnerships.
- 4.2 However, if there is a change to the particulars affecting the general partner, then that change will have to be filed with the Registrar of Limited Partnerships within 15 days of such arrangement.

4.3 The name of the Limited Partnership can be changed and will be subject to the same procedures as point 4.1 above.

4.4 However, the change in name shall not contravene section 6(1) of the Limited Partnership Act, 2003

4.5 The fee for the filing a statement of change in registered particulars of the limited partnership is US\$50.

## **5. CESSATION OF BEING A LIMITED OR GENERAL PARTNER**

A Limited partnership required at least one general and one limited partner. These are contained and filed in the statement registered with the Registrar of Limited Partnership. If a partner ceases to be a partner and a replacement has been identified, then the procedures mentioned in section 4 apply. However, if there is no replacement, the following must be undertaken:

- (a) A notice of dissolution will have to be signed by the general partner and filed with the Registrar to make the dissolution effective.
- (b) The Limited Partnership may thereafter be wound up in accordance with the provisions of the partnership agreement.
- (c) Upon voluntary dissolution, the Registrar will de-register the limited Partnership.

## **6. DE-REGISTRATION**

Subject to the terms of the partnership agreement, a general partner may at any time deregister a limited partnership by filing a written notice with the Registrar.

The Registrar of Limited Partnerships shall issue a notice of deregistration if the Limited Partnership has done any of the following:

- (a) If 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) If the limited partnerships have conducted illegal activities;
- (c) Has brought the image of the Seychelles in disrepute;
- (d) Has contravened and failed to comply with the provisions of the Limited Partnership Act, 2003.

That notice shall contain the reasons for deregistration. The partners will thereafter have one month to make written representation giving reason as to why the Registrar should not proceed with the deregistration.

If within the provided month written representation is made, the Registrar will either decide or not to proceed with the deregistration. If the partnership is aggrieved by this decision, the Limited Partnerships may appeal to the Court.

If the limited Partnership does not make written representation within the month provided, the Registrar may by notice served on the limited partnership remove the registration and that deregistration shall only take effect immediately after 90 days, within which time the Limited Partnership could appeal to the court, of the expiry of the notice (as mentioned in section 16).