

A BILL

entitled

PARTNERSHIP, EXEMPTED PARTNERSHIPS AND LIMITED PARTNERSHIP  
(BENEFICIAL OWNERSHIP) AMENDMENT ACT 2018

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WHEREAS it is expedient to amend the Partnership Act 1902, the Exempted Partnerships Act 1992 and the Limited Partnership Act 1883 to make further provision regarding beneficial ownership of partnerships with respect to certain international standards and for connected purposes;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Partnership, Exempted Partnerships and Limited Partnership (Beneficial Ownership) Amendment Act 2018.

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*AMENDMENT OF THE PARTNERSHIP ACT 1902*

Amends section 1A

2 Section 1A of the Partnership Act 1902 is amended by inserting in the appropriate alphabetical order the following—

“Authority ” means the Bermuda Monetary Authority established under section 2 of the Bermuda Monetary Authority Act 1969;”.

Inserts sections 4M to 4ZE

3 The Partnership Act 1902 is amended by inserting after section 4L the following—

“Interpretation of sections 4M to 4ZE

4M In sections 4M to 4ZE—

“appointed stock exchange” has the meaning given in section 2(1) of the Companies Act 1981;

“beneficial owner” has the meaning given in section 4O;

“beneficial ownership register” means the register referred to in section 4R;

“closed-ended investment vehicle” means a fund that satisfies the requirements in section 3 of the Investment Funds Act 2006, save subsection (2)(b) of that section;

“corporate service provider” means a person licensed to provide corporate service provider business under the Corporate Service Provider Business Act 2012;

“individual” means a natural person;

“legal arrangement” includes a trust, partnership or other similar arrangement;

“legal entity” means a company, limited liability company or other body that is a legal person under the law by which it is governed;

“minimum required information” means the information referred to in section 4R;

“registrable person” means a beneficial owner or relevant legal entity;

“relevant legal entity” in relation to a partnership means—

(a) any legal entity that is incorporated or formed or registered (including by way of continuation) in Bermuda or elsewhere; and

(b) any legal arrangement,

which would be a beneficial owner of the partnership if it were an individual.

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Application of sections 4M to 4ZE

4N (1) Sections 4M to 4ZE apply with respect to all partnerships to which this Act, the Exempted Partnerships Act 1992 and the Limited Partnership Act 1883 apply except those that are exempted under or pursuant to subsection (2); and “partnership” shall be construed accordingly.

(2) The following partnerships, entities or vehicles, and any subsidiary thereof, are exempted from the application of sections 4M to 4ZE—

- (a) a partnership whose interests are listed on the Bermuda Stock Exchange or an appointed stock exchange;
- (b) a closed-ended investment vehicle managed or administered by a person licensed under the Investment Business Act 2003 or the Investment Funds Act 2006 or registered, authorized or licensed by a foreign regulator recognized by the Authority;
- (c) a financial institution as defined in the Third Schedule to the Bermuda Monetary Authority Act 1969;
- (d) any other type of partnership or entity that is exempted by the Minister by order made by him.

(3) For the purposes of this section, a partnership (“partnership S”) is a subsidiary of one or more partnerships, entities or vehicles described in subsection (2) if—

- (a) such partnerships, entities or vehicles, separately or collectively, hold in excess of 75% of the interests or voting rights in partnership S;
- (b) each such partnership, entity or vehicle is a member of partnership S and, separately or collectively, they have the right to appoint or remove a majority of its partners or other governing body; or
- (c) it is a subsidiary of one or more partnerships, entities or vehicles each of which is itself a subsidiary of one or more partnerships, entities or vehicles described in subsection (1).

(4) An order made under subsection (2)(d) shall be subject to the affirmative resolution procedure and may contain such consequential or transitional provisions as the Minister considers necessary or expedient.

*Partnership to identify beneficial owners*

Meaning of beneficial owner

4O (1) In sections 4M to 4ZE—

“beneficial owner” means—

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- (a) any individual or individuals who own or control more than 25% of the interests or voting rights in the partnership through direct or indirect ownership thereof;
  - (b) if no such individual or individuals referred to in paragraph (a) exist or can be identified, any individual or individuals who control a partnership by other means;
  - (c) if no such individual or individuals referred to in paragraphs (a) and (b) exist or can be identified, the individual who holds the position of senior manager of a general partner of the partnership,
- and “beneficial ownership” shall be construed accordingly;

“control by other means” includes the right to appoint or remove a majority of the general partners of a partnership and the exercise of control over the partnership by any means other than by control by ownership of any interest;

“senior manager” means the chief executive, managing or executive director or president of a general partner of a partnership or other person holding such senior position in respect of a general partner of the partnership by whatever title known.

(2) Interests or voting rights held by an individual or individuals shall be an indication of direct ownership.

(3) Interests or voting rights held—

- (a) by a relevant legal entity, which is under the control of an individual or individuals; or
- (b) by multiple relevant legal entities, which are under the control of the same individual or individuals,

shall be an indication of indirect ownership by such individual or individuals.

Partnerships to obtain information regarding beneficial owners

4P (1) A partnership to which sections 4M to 4ZE apply shall take reasonable steps to identify any individual who is a beneficial owner of the partnership and all relevant legal entities that exist in relation to the partnership.

(2) If, after having taken reasonable steps to identify the beneficial owners of the partnership and all relevant legal entities, the partnership is satisfied that—

- (a) no individuals who are beneficial owners are identified; or
- (b) if the partnership was not able to confirm that the individuals identified by it are the beneficial owners,

the partnership shall keep a record of the actions taken to identify the beneficial owners thereof.

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(3) For the avoidance of doubt, reasonable steps include the issue of a notice under section 4Q.

Partnership to issue notice to beneficial owners

4Q (1) A partnership to which sections 4M to 4ZE apply shall give notice in writing to—

- (a) beneficial owners and relevant legal entities identified by the partnership pursuant to section 4P; and
- (b) any person that the partnership knows or has reasonable cause to believe is a registrable person.

(2) The notice shall require any person to whom it is addressed, within 30 days of the date of receipt of the notice—

- (a) to state whether or not the person is a beneficial owner (within the meaning of section 4O) or a relevant legal entity; and if so
- (b) to confirm or correct any minimum required information that is included in the notice and supply any required information that is missing from the notice.

(3) A partnership is not required to give a notice under subsection (1) if the partnership knows that the person is not a registrable person or the partnership has already been informed of the person's status as a registrable person in relation to it, and has received all the minimum required information.

(4) For the purpose of subsection (1), the partnership shall be entitled to rely, without further enquiry, on the response of a person to whom a notice in writing has been sent in good faith by the partnership, unless the partnership has reasonable cause to believe that a response is misleading or false.

(5) A person to whom a notice under this section is given is not required by that notice to disclose any information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

*Beneficial ownership register*

Duty to keep beneficial ownership register

4R (1) Every partnership to which sections 4M to 4ZE apply shall establish and maintain in accordance with sections 4M to 4ZE a beneficial ownership register and shall enter in its beneficial ownership register the minimum required information referred to in subsection (2) in respect of every registrable person.

(2) The minimum required information referred to in subsection (1) that the partnership shall enter in its beneficial ownership register is as follows—

- (a) the registrable person's full name including, if applicable, any secondary or other name;

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- (b) where the registrable person is an individual—
  - (i) his residential address and, if different from his residential address, an address for service;
  - (ii) his nationality;
  - (iii) his date of birth;
- (c) where the registrable person is a relevant legal entity—
  - (i) the address of the person's registered office or principal office;
  - (ii) the date and place of registration;
  - (iii) the form of legal entity;
  - (iv) where applicable, the name of the exchange on which it is listed;
- (d) the effective date on which each person was entered into the register as a registrable person;
- (e) a statement of the nature and extent of the interest held by each such registrable person;
- (f) in respect of a class of beneficial owners of such a size that it is not reasonably practicable to identify each beneficial owner, details sufficient to identify and describe the class of persons who are beneficial owners; and
- (g) where applicable, the date on which each person who has ceased to be a registrable person in respect of it ceased to be such an owner.

(3) The beneficial ownership register shall be kept at the registered office of the partnership or after giving written notice to the Registrar at such other place in Bermuda convenient for inspection by the Registrar.

(4) Where the beneficial ownership register is not made available for inspection by the Registrar, the Registrar may exercise the powers conferred on him by Part 3 of the Registrar of Companies (Compliance Measures) Act 2017 in respect of the partnership and may seek an order from the Court that the partnership make the beneficial ownership register immediately available for inspection.

Partnership to keep beneficial ownership register up-to-date and current

4S (1) The beneficial ownership register shall be updated with respect to a change in beneficial ownership of a partnership, which impacts an entry in the beneficial ownership register, as soon as practicable after the partnership is notified of such change, but not later than 14 days thereafter.

(2) Where a partnership to which sections 4M to 4ZE apply—

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- (a) becomes aware of a relevant change to the minimum required information that is set forth in its beneficial ownership register in relation to a registrable person; or
- (b) has reason to believe that such a relevant change has occurred,

the partnership shall give notice in writing to that person requesting confirmation, within 30 days from the date of receipt of the notice, of the matters set out in subsection (6).

(3) The notice by the partnership under subsection (2) shall be given as soon as practicable after the partnership becomes aware of the relevant change or has reason to believe that such a change has occurred, and shall require confirmation as to any such change and the details thereof.

(4) If the person to whom a notice is sent under subsection (2) confirms the relevant change, the partnership's beneficial ownership register shall be updated accordingly.

(5) A partnership is not required to give a notice under subsection (2) if the minimum required information relating to the relevant change has already been provided to the partnership by the beneficial owner or another person with knowledge of the minimum required information.

(6) For the purposes of this section, a relevant change occurs where—

- (a) a beneficial owner or a legal entity ceases to be a registrable person; or
- (b) any other change occurs as a result of which the accuracy of the minimum required information stated with respect to the registrable person in the partnership's beneficial ownership register becomes incorrect or incomplete.

(7) A relevant change with respect to a registrable person is considered to have been confirmed if the details, date and particulars of the change have been supplied or confirmed to the partnership by the registrable person, or by another person with knowledge of the registrable person.

(8) The beneficial ownership register shall not be updated until the relevant change has been confirmed.

Disputes regarding beneficial ownership

4T Where there is a bona fide legal dispute as to the beneficial owner of any interest, voting right or any other right or interest in any partnership to which sections 4M to 4ZE apply and which is in the process of being adjudicated by a court—

- (a) no change shall be recorded in the beneficial ownership register with respect to the beneficial owner of that interest or right; and

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(b) no filing with respect to that change shall be made with the Authority,

prior to the determination of that matter unless the court so orders.

Power of Court to rectify beneficial ownership register

4U (1) Any person who is aggrieved by his inclusion, or lack thereof, on the beneficial ownership register for any reason may apply to the Court for rectification of the beneficial ownership register.

(2) Subsections (2) and (3) of section 67 of the Companies Act 1981 apply with any necessary modifications with respect to rectification of the beneficial ownership register as those subsections apply in relation to rectification of the register of members.

*Beneficial ownership information to be filed with Authority; compliance measures*

Filing of beneficial ownership information with the Authority

4V (1) Subject to subsection (2), a partnership to which sections 4M to 4ZE apply shall (in such form as the Authority may require) at the time of its formation, continuation in Bermuda or conversion, as the case may be, file with the Authority the minimum required information regarding its beneficial owners.

(2) Where a partnership engages a corporate service provider which holds an unlimited licence, the filing required under subsection (1) shall occur as soon as practicable but not later than 14 days following such formation, continuation in Bermuda or conversion, as the case may be.

(3) Notification of any change of beneficial ownership of a partnership and information relating to such a change shall be filed with the Authority as soon as practicable, but not later than 14 days after the partnership becomes aware of or is notified of the change, and has confirmed the minimum required information with respect to the change.

(4) Where there is a change in respect of any information for the time being filed with the Authority relating to a beneficial owner of a partnership which would render that information inaccurate, the partnership shall, in such form as the Authority may require, file with the Authority updated, accurate and current information regarding such change in information as soon as practicable, but not later than 14 days after the partnership becomes aware of or is notified of the change, and has confirmed the minimum required information with respect to the change.

*Compliance measures*

Notice by partnership imposing restrictions

4W (1) This section applies where—



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- (a) a notice under section 4Q or 4S is served by a partnership on a beneficial owner; and
  - (b) that person fails to give the partnership the information required by the notice within the time specified in it.
- (2) Where subsection (1) applies, the partnership may—
- (a) if its partnership agreement so provides, issue a warning notice to that person advising of its intention to impose restrictions on that person's interest;
  - (b) if its partnership agreement so provides, issue a decision notice to a person advising of the imposition of restrictions on that person's interests, provided that such decision notice shall not take effect until at least 30 days following the date of receipt of any such decision notice; or
  - (c) apply to the Court for an order directing that the interest in question be subject to restrictions.
- (3) In deciding whether, pursuant to a warning notice, to issue a decision notice or apply to the Court under subsection (2)(c), and after first giving the person the opportunity to make representations, the partnership shall have regard to the effect of the decision notice or order on the rights of persons in respect of the relevant interest, including—
- (a) third parties;
  - (b) persons with a security interest over the relevant interest;
  - (c) partners; and
  - (d) other beneficial owners.
- (4) If the Court is satisfied that such an order issued under subsection (2)(c) may unfairly affect the rights of third parties in respect of the interest, the Court may, for the purpose of protecting those rights and subject to such terms as it thinks fit, direct that such acts by such persons and for such purposes as may be set out in the order shall not constitute a breach of the restrictions.
- (5) On an application under this section, the Court may make an interim order and any such order may be made unconditionally or on such terms as the Court thinks fit.
- (6) The effect of a decision notice issued by a partnership or an order made by the Court under this section is that the interest in question may be subject to restrictions as follows—
- (a) any transfer of the interest is void;
  - (b) no voting rights are exercisable in respect of the interest;

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- (c) no further interest may be issued in right of the interest or in pursuance of an offer made to its holder;
- (d) no payment may be made of sums due from the partnership on the interest, whether in respect of capital or otherwise.

(7) Where an interest is subject to the restriction in subsection (6)(c) or (d), an agreement to transfer any right to be issued with other interests in right of that interest, or to receive any payment on it (otherwise than in a liquidation), is void.

(8) The provisions of this section are subject to any directions for protection of third parties or otherwise given by the Court.

(9) The Court on the application of—

- (a) any person aggrieved by any action taken by the partnership pursuant to this section; or
- (b) any person aggrieved in so far as protecting the rights of third parties, persons with a security interest over the relevant interest, interest holders or other beneficial owners in respect of the relevant interest in respect of which a decision notice has been issued,

may set aside or affirm a notice in whole or in part and give such directions as the Court thinks fit if the Court is satisfied that the decision notice unfairly affects the protection of the rights of third parties.

(10) Section 62 of the Supreme Court Act 1905 shall be deemed to extend to the making of rules under that section to regulate the practice and procedure on an application or an appeal to the Court under this section.

Power to obtain information and reports

4X (1) The Registrar may by notice in writing served on a partnership or any registrable person require the partnership or registrable person—

- (a) to provide the Registrar (or such person acting on behalf of the Registrar as may be specified in the notice), at such time or times or at such intervals or in respect of such period or periods as may be so specified, with such information as the Registrar may reasonably require for the performance of his functions;
- (b) to provide the Registrar with a report, in such form as may be specified in the notice, of any matter about which the Registrar has required or could require that partnership, or beneficial owner, to provide information pursuant to sections 4M to 4ZE.

(2) The person to whom a notice is served under subsection (1) shall within 30 days of receipt of such notice respond to the notice and provide the information requested by the Registrar.

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Offences

- 4Y (1) In sections 4M to 4ZE, where a person—
- (a) contravenes or fails without reasonable excuse to comply with any provision of sections 4M to 4ZE, the person shall be liable on summary conviction to a fine not exceeding \$5,000;
  - (b) knowingly provides false information to the Registrar or the Authority, the person shall be liable on summary conviction to a fine not exceeding \$50,000.
- (2) It shall be a defence for the person to show that he took reasonable steps to identify beneficial owners for the purposes of sections 4M to 4ZE.
- (3) Where an offence under subsection (1) committed by a body corporate is proved to have been committed with the consent or connivance of an officer of the body corporate, the officer as well as the body corporate commits the offence and shall be liable to be proceeded against and punished accordingly.

*Miscellaneous*

Confidentiality

- 4Z (1) Subject to section 4ZA, a requirement imposed by or under sections 4M to 4ZE has effect despite any obligation as to confidentiality or other restriction on the disclosure of beneficial ownership information imposed by statute, contract or otherwise.
- (2) Accordingly, a disclosure made or the sharing of beneficial ownership information in accordance with sections 4M to 4ZE does not breach—
- (a) any obligation of confidence in relation to the beneficial ownership information so disclosed; or
  - (b) any other restriction on access to or disclosure of the beneficial ownership information so accessed (however imposed).
- (3) Compliance by a person with any requirement under sections 4M to 4ZE to disclose or provide information is an absolute defence to any claim brought against that person in respect of any act done or any omission made by him in good faith in compliance with sections 4M to 4ZE.
- (4) For the avoidance of doubt, nothing in this section shall be construed as restricting the exercise of power by the Registrar under section 18(3) of the Registrar of Companies (Compliance Measures) Act 2017.

Privileged information

- 4ZA A person shall not be required under sections 4M to 4ZE to provide or produce information or to answer questions which the person would be entitled to refuse to provide, produce or answer on grounds of legal professional privilege in proceedings in the Court.

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Application of Public Access to Information Act 2010

4ZB (1) Notwithstanding any provision of the Public Access to Information Act 2010, this section shall have effect.

(2) For the purposes of sections 4M to 4ZE, no person who—

- (a) obtains information relating to beneficial ownership directly or indirectly for the purposes of, or pursuant to, sections 4M to 4ZE; and
- (b) receives a request under the Public Access to Information Act 2010 for such information relating to beneficial ownership,

shall disclose the request or beneficial ownership information so requested.

Application of Personal Information Protection Act 2016

4ZC Nothing in sections 4M to 4ZE authorizes a disclosure, in contravention of any provision of the Personal Information Protection Act 2016, of personal information (as defined by that Act).

Other provisions concerning beneficial ownership or registers etc. not affected

4ZD (1) Sections 4M to 4ZE do not, unless it is otherwise expressly provided to the contrary, limit or otherwise restrict any other statutory provision concerning any requirement for a person with an interest to provide information relating to beneficial ownership.

(2) Nothing in sections 4M to 4ZE, unless it is otherwise expressly provided to the contrary, shall be construed as affecting any provisions relating to the use of licensed corporate service providers or Bermuda Monetary Authority consent requirements regarding the issue or transfer of securities or interests.

(3) Nothing in sections 4M to 4ZE, unless it is otherwise expressly provided to the contrary, affects the requirement under this Act or any other enactment for a partnership to which this Act applies to keep any other register.

Notices

4ZE (1) For the purposes of sections 4M to 4ZE, any notice, direction or other document (hereinafter referred to in this section as “document”) required or authorized by or under sections 4M to 4ZE to be given or sent to any person shall be set out in a document in writing which may be served either—

- (a) by delivering it to that person;
- (b) by leaving it at his proper address;
- (c) by sending it by post to that address;
- (d) by sending it to him by facsimile or electronic mail or other similar means which are capable of producing a document containing the

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text of the communication, in which case the document shall be regarded as sent when it is received by him in a legible form; or

(e) by any other method that provides proof of delivery or service,

and where the person is a body corporate the document may be delivered, by any of those means, to the Secretary or other appropriate person in respect of that body corporate.

(2) For the purposes of this section, the proper address of any person shall, in the case of a body corporate, be the registered or principal office of that body corporate, and in any other case, shall be the last known address of the person.

(3) No document required by sections 4M to 4ZE to be given or sent to the Registrar or the Bermuda Monetary Authority or any other person shall be regarded as given or sent until it is received.

(4) For the purposes of sections 4M to 4ZE, a document shall be taken to have been received by the person in relation to whom it was sent—

(a) where it was delivered to him personally, on the day of delivery;

(b) where it was sent to him by post at his address on the day on which he acknowledges receipt or, if no such acknowledgement was received from him, it shall, unless it is shown to the contrary, be deemed to have been received by him—

(i) seven working days after despatch, if posted to an address within Bermuda; and

(ii) fifteen working days after despatch, if posted to an address outside of Bermuda;

(c) by sending it to him by facsimile or electronic mail or similar means which are capable of producing a document containing the text of the communication, on the second day after the day on which it was transmitted.

(5) If the making of the transmission for purposes of subsection (4)(c) has been recorded in the computer or information processing system of the partnership or its representative, it shall be presumed, unless the contrary is proved, that the transmission—

(a) was made to the person recorded in that system as receiving it;

(b) was made at the time recorded in that system at the time of delivery;

(c) contained the information recorded on that system in respect of it.

(6) For the avoidance of doubt, notices, directions or documents that are delivered under sections 4M to 4ZE are not statutory instruments for the purposes of the Statutory Instruments Act 1977.”.

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Inserts section 44A

4 The Partnership Act 1902 is amended by inserting after section 44 the following—

“Keeping of records of account and beneficial ownership register after dissolution

44A (1) When a partnership has been dissolved, the partner or partners or such other person as may be appointed to wind up the affairs of the partnership (the “responsible person”) shall—

- (a) keep the records of account of the partnership referred to in section 29A which are in existence at the date of dissolution of the partnership, for five years from the end of the period to which such records of account relate;
- (b) keep the beneficial ownership register referred to in section 4R which is in existence at the date of the dissolution of the partnership for five years from the date of the conclusion of the winding up of the affairs of the partnership;
- (c) keep the books and papers of the responsible person relating to the winding up of the affairs of the partnership for five years from the date of the conclusion of the winding up of the affairs of the partnership;
- (d) where applicable, keep the records specified in regulation 15 of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 that are in existence at the date of the dissolution of the partnership in relation to the partnership for the period specified in regulation 15.

(2) Where a partnership has been dissolved, the partners at the date of the dissolution of the partnership shall ensure that the beneficial ownership register of the partnership referred to in section 4R of the Partnership Act 1902 that is in existence on that date shall be kept for a minimum of five years from the date of the dissolution of the partnership.

(3) In this section, “responsible person” means—

- (a) the partner or partners responsible for the winding up of the affairs of the partnership; or
- (b) such other person appointed to wind up the affairs of the partnership,

and, where the responsible person is a person referred to in paragraph (b), that person, for the purposes of paragraphs (a) to (d) of subsection (1), shall be required to keep, for the period specified in each of those paragraphs, the records of account, beneficial ownership register, books, papers and records that have been provided to him.”.

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*AMENDMENT OF THE EXEMPTED PARTNERSHIPS ACT 1992 AND THE LIMITED  
PARTNERSHIP ACT 1883*

Amends Exempted Partnerships Act 1992

5 (1) The Exempted Partnerships Act 1992 is amended by inserting after section 13F the following—

“Beneficial ownership register

13G (1) Pursuant to sections 4M to 4ZE of the Partnership Act 1902, an exempted partnership shall keep a beneficial ownership register.

(2) Sections 4M to 4ZE of the Partnership Act 1902 apply with the necessary modifications with respect to the beneficial ownership register required to be kept by an exempted partnership.”.

(2) The Exempted Partnerships Act 1992 is amended by inserting after section 14 the following—

“Keeping of records of account and beneficial ownership register after dissolution

14A (1) When an exempted partnership has been dissolved, the partner or partners or such other person as may be appointed to wind up the affairs of the exempted partnership (the “responsible person”) shall—

- (a) keep the records of account of the exempted partnership referred to in section 14 which are in existence at the date of dissolution of the exempted partnership relating to the exempted partnership, for five years from the end of the period to which such records of account relate;
- (b) keep the beneficial ownership register referred to in section 4R of the Partnership Act 1902 which is in existence at the date of dissolution of the exempted partnership for five years from the date of the conclusion of the winding up of the affairs of the exempted partnership;
- (c) keep the books and papers of the responsible person relating to the winding up of the affairs of the exempted partnership for five years from the date of the conclusion of the winding up of the affairs of the exempted partnership;
- (d) where applicable, keep the records specified in regulation 15 of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 that are in existence at the date of dissolution of the exempted partnership, in relation to the exempted partnership for the period specified in regulation 15.

(2) Where the certificate of an exempted partnership is cancelled, the partners at the date when such certificate is cancelled shall ensure that the beneficial ownership register of the partnership referred to in section 4R of the

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Partnership Act 1902 that is in existence on that date shall be kept for a minimum of five years from the date of the certificate of cancellation.

(3) In this section, “responsible person” means—

- (a) the partner or partners responsible for the winding up of the affairs of the exempted partnership; or
- (b) such other person appointed to wind up the affairs of the exempted partnership,

and, where the responsible person is a person referred to in paragraph (b), that person, for the purposes of paragraphs (a) to (d) of subsection (1), shall be required to keep, for the period specified in each of those paragraphs, the records of account, beneficial ownership register, books, papers and records that have been provided to him.”.

Amends Limited Partnership Act 1883

6 (1) The Limited Partnership Act 1883 is amended by inserting after section 8A the following—

“Beneficial ownership register

8AA (1) Pursuant to sections 4M to 4ZE of the Partnership Act 1902, a limited partnership shall keep a beneficial ownership register.

(2) Sections 4M to 4ZE of the Partnership Act 1902 apply with the necessary modifications with respect to the beneficial ownership register required to be kept by a limited partnership.”.

(2) The Limited Partnership Act 1883 is amended by inserting after section 9A the following—

“Keeping of records of account and beneficial ownership register after dissolution

9B (1) When a limited partnership has been dissolved the partner or partners or such other person as may be appointed to wind up the affairs of the limited partnership (the “responsible person”) shall—

- (a) keep the records of account of the limited partnership referred to in section 9A which are in existence at the date of dissolution of the limited partnership, relating to the limited partnership for five years from the end of the period to which such records of account relate;
- (b) keep the beneficial ownership register referred to in section 4R of the Partnership Act 1902 which is in existence at the date of dissolution of the limited partnership for five years from the date of the conclusion of the winding up of the affairs of the limited partnership;



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- (c) keep the books and papers of the responsible person relating to the winding up of the affairs of the limited partnership, for five years from the date of the conclusion of the winding up of the affairs of the limited partnership;
- (d) where applicable, keep the records specified in regulation 15 of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 that are in existence at the date of dissolution of the limited partnership in relation to the limited partnership for the period specified in regulation 15.

(2) Where the certificate of a limited partnership is cancelled, the general partners at the date when such certificate is cancelled shall ensure that the beneficial ownership register of the limited partnership referred to in section 4R of the Partnership Act 1902 that is in existence on that date shall be kept for a minimum of five years from the date of the certificate of cancellation.

(3) In this section, “responsible person” means—

- (a) the partner or partners responsible for the winding up of the affairs of the limited partnership; or
- (b) such other person appointed to wind up the affairs of the limited partnership,

and, where the responsible person is a person referred to in paragraph (b), that person, for the purposes of paragraphs (a) to (d) of subsection (1), shall be required to keep, for the period specified in each of those paragraphs, the records of account, beneficial ownership register, books, papers and records that have been provided to him.”.

*FINAL PROVISIONS*

Savings

7 (1) In this section and section 8—

“Authority” means the Bermuda Monetary Authority;

“exempted partnership” means an exempted partnership under the Exempted Partnerships Act 1992;

“existing” in relation to a partnership, means a partnership, an exempted partnership and a limited partnership which exists on the date of the coming into operation of the Partnership, Exempted Partnerships and Limited Partnership (Beneficial Ownership) Amendment Act 2018;

“limited partnership” means a limited partnership under the Limited Partnership Act 1883;

“partnership” means a partnership, an exempted partnership and a limited partnership to which sections 4M to 4ZE of the Partnership Act 1902 apply;

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“minimum required information” means the information referred to in section 4R of the Partnership Act 1902 with respect to a partnership;

“Registrar of Companies” has the meaning given in section 3 of the Companies Act 1981.

(2) Nothing in sections 4M to 4ZE of the Partnership Act 1902 shall be construed as requiring a partnership to establish a new and additional beneficial ownership register pursuant to section 4R, if the minimum required information is already being kept with respect to the partnership in a register under, or pursuant to, any other applicable statutory provision.

(3) Nothing in sections 4M to 4ZE of the Partnership Act 1902 shall be construed as requiring a partnership to file information relating to beneficial ownership pursuant to section 4V, if the minimum required information with respect to the partnership is being, or has already been, filed under, or pursuant to, any other applicable statutory provision.

(4) Nothing in sections 4M to 4ZE of the Partnership Act 1902 shall be construed as affecting requirements relating to the provision of information (including information relating to beneficial ownership) by a partnership to the Bermuda Monetary Authority at the time of its application for formation or continuation in Bermuda.

(5) For the avoidance of doubt, the partnership shall otherwise comply with the provisions of sections 4M to 4ZE of the Partnership Act 1902 with respect to its beneficial ownership register.

Transitional

8 (1) An existing partnership shall update or verify as the case may be (in such form and manner as the Authority may direct) the minimum required information relating to beneficial owners thereof within the period of six months from the date of the coming into operation of this section.

(2) The Minister responsible for the Registrar of Companies may by order subject to the negative resolution procedure extend the period set forth in subsection (1).

Commencement

9 (1) This Act shall come into operation on such day as the Minister responsible for the Registrar of Companies may by notice in the Gazette appoint.

(2) The Minister may appoint different days for the coming into operation of different provisions of this Act.

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the Partnership Act 1902, the Exempted Partnerships Act 1992 and the Limited Partnership Act 1883 with respect to beneficial ownership and control of partnerships in line with certain international standards. This Bill mirrors, for the most part (with the necessary modifications), the provisions relating to beneficial ownership that are set forth in the Companies and Limited Liability Company (Beneficial Ownership) Amendment Act 2017.

Clause 1 provides a title for this Bill.

Clause 2 amends section 1A of the Partnership Act 1902 to insert a new definition.

Clause 3 inserts new sections 4M to 4ZE in the Partnership Act 1902 (hereinafter referred to as “the new Part”) as follows:

- Section 4M inserts definitions for the interpretation of sections 4M to 4ZE of the Partnership Act 1902 (hereinafter referred to as “the new Part”).
- Section 4N applies the provisions of the new Part to all partnerships save a partnership that is listed on the Bermuda Stock Exchange or an appointed stock exchange, certain funds and financial institutions; and a partnership or entity exempted by order of the Minister.
- Section 4O defines the term “beneficial owner”.
- Section 4P requires partnerships to take reasonable steps to identify their beneficial owners.
- Section 4Q requires a partnership to issue a notice to beneficial owners or any person it believes to be a beneficial owner thereof.
- Section 4R requires every partnership to maintain a beneficial ownership register.
- Section 4S requires partnerships to keep their beneficial ownership register up to date.
- Section 4T makes provision with respect to circumstances where there is a dispute regarding beneficial ownership.
- Section 4U makes provision for rectification of the beneficial ownership register.
- Section 4V makes provision for filing beneficial ownership information with Bermuda Monetary Authority.
- Section 4W permits a partnership to impose restrictions on interests.
- Section 4X gives the Registrar power to obtain information and reports for the purposes of sections 4M to 4ZE.
- Section 4Y provides for offences.
- Section 4Z deals with confidentiality.

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- Section 4ZA preserves legal professional privilege.
- Section 4ZB provides for matters relating to the Public Access to Information Act 2010.
- Section 4ZC provides for matters relating to the Personal Information Protection Act 2016.
- Section 4ZD provides for the effect of sections 4M to 4ZE in relation to other statutory provisions.
- Section 4ZE provides for the service of notices.

Clause 4 inserts a new section 44A in the Partnership Act 1902. The new section 44A requires the responsible person (as that term is therein defined) to keep the partnership's beneficial ownership information, books, papers and records described therein for the period or periods specified therein.

Clause 5 inserts a new section 13G in the Exempted Partnerships Act 1992 in consequence of the enactment of the new sections 4M to 4ZE of the Partnership Act 1902. Clause 5 also inserts a new section 14A in the Exempted Partnerships Act 1992 to provide for retention of an exempted partnership's beneficial ownership information, books, papers and records for the period or periods specified therein.

Clause 6 inserts a new section 8AA in the Limited Partnership Act 1883 in consequence of the enactment of the new sections 4M to 4ZE of the Partnership Act 1902. Clause 6 also inserts a new section 9B in the Limited Partnership Act 1883 to provide for retention of a limited partnership's beneficial ownership information, books, papers and records for the period or periods specified therein.

Clause 7 provides for savings. This clause provides that a new register for the purposes of sections 4M to 4ZE is not required if a partnership, an exempted partnership or a limited partnership already has a register in which it keeps updated and current beneficial ownership information. This clause also preserves requirements relating to submission of information to the Bermuda Monetary Authority at the time of any application for formation or continuation of a partnership, an exempted partnership or a limited partnership in Bermuda.

Clause 8 provides for transitional matters.

Clause 9 provides for commencement of this Act.