

LIMITED PARTNERSHIPS ACT

Principal Act

Act. No. 1927-07	<i>Commencement</i>	1.6.1928
	<i>Assent</i>	23.12.1927

Amending enactment	Relevant current provisions	Commencement date
Acts. 1934-23	s.10	
1935-08	s.3(1)	
1971-04	ss.14(1) and 15	
1980-04	s.13(2)	
1983-12	ss.5(3), 10, 14(1) and 15	
1991-17	ss.8 and 13(1)	18.7.1991
1999-31	ss.3(5)-(8), 7A, 8, 11A, 11B, and 13A-13N	1.1.2000
2007-17	ss. 13(1) & (2), 15	14.6.2007
2013-14	s. 3(2)	4.7.2013
2016-18	S. 5(3)	23.4.2018

English source

Limited Partnerships Act 1907 (7 Edw.7c.24)

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AN ACT TO ESTABLISH LIMITED PARTNERSHIPS.

Short title.

1. This Act may be cited as the Limited Partnerships Act.

Interpretation.

2. In this Act, unless the context otherwise requires—

*(1907 c.24,
s. 3)*

“firm”, “firm name” and “business” have the same meanings as in section 6 of the Partnership Act¹;

“general partner” means any partner who is not a limited partner as defined by this Act.

Definition and constitution of limited partnership.

3.(1) Limited partnerships may be formed in the manner and subject to the conditions by this Act provided.

(s. 4)

(2) A limited partnership must consist of one or more persons called general partners, who shall be liable for all debts and obligations of the firm, and one or more persons to be called limited partners, who shall at the time of entering into such partnership contribute thereto a sum or sums as capital or property valued at a stated amount, and who shall not be liable for the debts or obligations of the firm beyond the amount so contributed.

(3) A limited partner shall not during the continuance of the partnership, either directly or indirectly, draw out or receive back any part of his contribution, and if he does so draw out or receive back any such part shall be liable for the debts and obligations of the firm up to the amount so drawn out or received back.

(4) A body corporate may be a limited partner.

(5) A limited partnership shall, as from the day on which it begins to carry on business or as from the twenty-eighth day after the date of its registration, whichever is the earlier, have a registered office in Gibraltar to which all communications and notices may be addressed.

(6) Notice of the situation of the registered office shall be given within twenty-eight days after the date of the registration of the limited partnership

¹ 1895-11

or of the change, as the case may be, to the Registrar who shall record the same.

(7) Where none of the partners in a limited partnership is resident in Gibraltar the partnership shall appoint a secretary resident in Gibraltar.

(8) Notice of the appointment of the secretary as required by sub-section (7) shall be given within twenty-eight days after the date of the registration of the limited partnership or of the provision becoming applicable to the limited partnership, as the case may be, to the Registrar who shall record the same.

Registration of limited partnerships.

*(s. 50t. 1968 No.
24*

4. Every limited partnership must be registered as such in accordance with the provisions of this Act, or in default thereof it shall be deemed to be a general partnership, and every limited partner shall be deemed to be a general partner.

Modifications of general law in case of limited partnerships.

(s. 6) 5.(1) A limited partner shall not take part in the management of the partnership business, and shall not have power to bind the firm:

Provided that a limited partner may by himself or his agent at any time inspect the books of the firm and examine into the state and prospects of the partnership business, and may advise with the partners thereon.

(2) If a limited partner takes part in the management of the partnership business he shall be liable for all debts and obligations of the firm incurred while he so takes part in the management as though he were a general partner.

(3) A limited partnership shall not be dissolved by the death or bankruptcy of a limited partner, and the fact that a limited partner is suffering from mental disorder within the meaning of the Mental Health Act 2016 shall not be a ground for dissolution of the partnership unless the Court of Protection so orders in exercise of its powers under Part 5 of that Act, shall so order.

(4) In the event of the dissolution of a limited partnership its affairs shall be wound up by the general partners unless the court otherwise orders.

(5) Subject to any agreement expressed or implied between the partners—

- (a) any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the general partners;
- (b) a limited partner may, with the consent of the general partners, assign his share in the partnership, and upon such an assignment the assignee shall become a limited partner with all the rights of the assignor;
- (c) the other partners shall not be entitled to dissolve the partnership by reason of any limited partner suffering his share to be charged for his separate debt;
- (d) a person may be introduced as a partner without the consent of the existing limited partners;
- (e) a limited partner shall not be entitled to dissolve the partnership by notice.

Application of law as to private partnerships.

6. Subject to the provisions of this Act, the Partnership Act and the rules of equity and of common law applicable to partnerships, except so far as they are inconsistent with the express provisions of the last-mentioned Act, shall apply to limited partnerships. ^(s.7)

Manner and particulars of registration.

7. The registration of a limited partnership shall be effected by sending by post or delivering to the Registrar a statement signed by the partners containing the following particulars— ^(s. 8)

- (a) the firm name;
- (b) the general nature of the business;
- (c) the principal place of business;
- (d) the full name of each of the partners;
- (e) the term, if any, for which the partnership is entered into and the date of its commencement;
- (f) a statement that the partnership is limited and the description of every limited partner as such;

- (g) the sum contributed by each limited partner and whether paid in cash or how otherwise.

Registration of company limited by shares or guarantee or both as a limited partnership.

7A.(1) Where a company limited by shares or guarantee or both seeks registration as a limited partnership the provisions of sections 7 and 11 shall apply as provided for in this section.

(2) In addition to the statement specified in section 7 the partners shall send or deliver to the Registrar —

- (a) the special resolution passed by the vote of each member of that company entitled to receive notice of an extraordinary meeting of the company conforming to the requirements of section 37 of the Companies Act; and
- (b) the documents required to be lodged with the Registrar of Companies for the purposes of section 37(5)(a) of the Companies Act, that is to say —
 - (i) a printed copy of the memorandum and articles as altered in pursuance of the special resolution to be the limited partnership agreement containing —
 - (aa) the name of the company and the firm name under which registration as a limited partnership is to be sought;
 - (bb) the proposed principal place of business of the limited partnership;
 - (cc) the date on which it is proposed to register under this Act;
 - (dd) a copy of the statement to be submitted to the Registrar in accordance with section 7;
 - (ii) a certificate of good standing in respect of the company issued by the Registrar of Companies under the Companies Act;
 - (iii) where the company carries on in or from within Gibraltar a business which is —

- (aa) licensed under the Financial Services Act 1989; or
- (bb) authorised under the Financial Services (Banking) Act 1992 or the Financial Services Act 1998; or
- (cc) licensed or authorised in accordance with a Community requirement other than one falling within article (aa) or (bb);

evidence of the consent of the competent authority under the relevant legislation to the company deregistering under the Companies Act and registering under this Act;

- (iv) evidence to the satisfaction of the Registrar that no proceedings for insolvency have been commenced against the company in Gibraltar;
- (v) evidence to the satisfaction of the Registrar that any charge recorded in respect of that company has been discharged in accordance with the Companies Act or the consent in writing to the deregistration of every registered chargee has been obtained;

- (c) a certificate of the Registrar of Companies that the requirements of section 37 of the Companies Act are complied with.

(3) Where the Registrar is satisfied that the requirements of this Act for registration as a limited partnership deregistered as a company registered under the Companies Act and continued as a limited partnership registered under this Act are met he shall issue a notice in writing to the Registrar of Companies stating that he is so satisfied and the date and time of the intended registration as a limited partnership under this Act.

(4) When the Registrar has received a Certificate of Deregistration and Continuation for the purpose of Registration as a Limited Partnership issued by the Registrar of Companies under section 38(2) of the Companies Act he shall register that limited partnership under the Act and issue a Certificate of Registration and Continuation as a Limited Partnership.

(5) For the avoidance of doubt it is hereby declared that a limited partnership registered under section 4 as a result of the procedures contained

- (a) in this section; and

(b) sections 37 and 38 of the Companies Act,

is on the date and time referred to in subsection (4) a continuation of the undertaking deregistered by virtue of the procedures referred to in paragraph (b).

(6) In this section “Registrar of Companies” means the person appointed under section 343 of the Companies Act.

Registration of changes in partnerships.

(s. 9) 8.(1) If during the continuance of a limited partnership any change is made or occurs in—

- (a) the firm name;
- (b) the general nature of the business;
- (c) the principal place of business;
- (d) the partners or the name of any partner;
- (e) the term or character of the partnership;
- (f) the sum contributed by any limited partner;
- (g) the liability of any partner by reason of his becoming a limited instead of a general partner, or a general instead of a limited partner;
- (h) the location of registered office;
- (j) the person of the secretary notified under section 3,

a statement signed by the firm, specifying the nature of the change, shall within seven days be sent by post or delivered to the Registrar.

(2) If default is made in compliance with the requirements of this section each of the general partners is guilty of an offence and is liable on summary conviction to a fine of one fifth of the amount at level 1 on the standard scale for each day during which the default continues.

Advertisement.

(s. 10(1))

9. Notice of any arrangement or transaction under which any person will cease to be a general partner in any firm, and will become a limited partner

in that firm, or under which the share of a limited partner in a firm will be assigned to any person, shall be forthwith advertised in the Gazette, and until notice of the arrangement or transaction is so advertised the arrangement or transaction shall, for the purposes of this Act, be deemed to be of no effect.

Ad valorem duty on contributions by limited partners.

10. The statement of the amount contributed by a limited partner, and a statement of any increase in that amount, sent to the Registrar for registration under this Act, shall be charged with an ad valorem duty of such amount as may from time to time be prescribed by the Stamp Duties Act² or any amendment thereof, for every £100, and any fraction of £100 over any multiple of £100, of the amount so contributed, or of the increase of that amount, as the case may be; and, in default of payment of the duty thereon as herein required, the duty, with interest thereon at the rate for the time being payable on judgment debts in the Supreme Court, from the date of delivery of such statement shall be a joint and several debt to Her Majesty, recoverable from the partners, or any of them named in the said statements or, in the case of an increase, from all or any of the said partners whose discontinuance in the firm shall not, before the date of delivery of such statement of increase, have been duly notified to the Registrar. (s. 11)

Registrar to file statement and issue certificate of registration.

11. On receiving any statement made in pursuance of this Act, the Registrar shall cause the same to be filed, and he shall send to the firm from whom such statement shall have been received a certificate of the registration thereof. (s. 13)

Effect of Registration.

11A. From the date of registration mentioned in a certificate of issued under section 7A or section 11 the partners together with such other persons as may from time to time become partners in accordance with this Act shall be a limited partnership having separate legal personality by the name contained in the statement sent to the Registrar in accordance with section 7 or section 7A, as the case may be, and ,subject to section 3, capable forthwith of exercising all the functions of a limited partnership, and having perpetual succession, but with such liability on the part of the partners to contribute to the assets of the limited partnership in the event of its being wound up as is mentioned in this Act.

Conclusiveness of certificate of registration.

² 1932-21

11B.(1) A certificate of registration given by the Registrar in respect of any limited partnership shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the partnership is a limited partnership authorised to be registered and duly registered under this Act.

(2) A statutory declaration by a solicitor of the Supreme Court or by a barrister lawfully acting as a solicitor of the Supreme Court engaged in the formation of the limited partnership, or by a person named in the statement sent to the Registrar in accordance with section 7 or 7A, as the case may be, as a partner or, in accordance with section 3, as the secretary of the partnership, of compliance with all or any of the said requirements shall be produced to the Registrar, and the Registrar shall be entitled to rely on such a declaration as sufficient evidence of compliance.

Register and index to be kept.

- (s. 14) 12. The Registrar shall keep in proper books to be provided for the purpose, a register and an index of all limited partnerships registered and of all the statements registered in relation to such partnerships.

Registrar under the Act.

- (s.15) 13. (1) The Registrar of Limited Partnerships (in this Act referred to as the Registrar) shall be such person as is appointed by the Minister responsible for finance from time to time and the offices for the registration of limited partnerships shall be at such address as is determined by the Minister responsible for finance from time to time .

(2) The Minister responsible for finance may appoint one or more Assistant Registrars of Limited Partnerships, and any Assistant Registrar so appointed may, subject to any directions given to him by the Registrar, exercise all the powers and perform all the duties of the Registrar.

Recording of charges.

13A.(1) The capital of a limited partnership registered under this Act may be made a security for a loan, debt or other obligation, and the document creating the security falling within this section shall be in a form specified by the Registrar, or in a form as near thereto as circumstances permit, and on the production of such instrument in proper form, the Registrar shall record it as provided for under the Act and such recording shall have the effect provided for in this Act.

(2) Subject to the provisions of this section and section 13B to 13J, every charge created after the commencement of this section by a limited partnership registered in Gibraltar and being a charge to which this section applies shall, so far as any security on the limited partnership's property or undertaking is conferred thereby, be void against any liquidator or creditor of the partnership, unless the specified particulars of the charge, together with the instrument by which the charge is created or evidenced, are delivered to or received by the Registrar for recording in manner required by this Act within twenty- one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a charge becomes void under this section the money secured thereby shall immediately become payable.

(3) This section applies to —

- (a) a charge created or evidenced by an instrument which, if executed by an individual, would require registration as a bill of sale;
- (b) a charge on land, wherever situate, or any interest therein;
- (c) a charge on book debts of the limited partnership;
- (d) a floating charge on the undertaking or property of the limited partnership;
- (e) a charge on goodwill, on a patent or a licence under a patent, on a trademark or on a copyright or a licence under a copyright.

(4) In the case of a charge created out of Gibraltar comprising solely property situate outside Gibraltar, the delivery to and the receipt by the Registrar of a copy verified in the specified manner of the instrument by which the charge is created or evidenced, shall have the same effect for the purposes of this section as the delivery and receipt of the instrument itself, and twenty-one days after the date on which the instrument or copy could, in due course of post, and if dispatched with due diligence, have been received in Gibraltar, shall be substituted for twenty-one days after the date of the creation of the charge, as the time within which the particulars and instrument or copy are to be delivered to the Registrar.

(5) Where a charge is created in Gibraltar but comprises property outside Gibraltar, the instrument creating or purporting to create the charge may be sent for recording under this section notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate.

(6) Where a negotiable instrument has been given to secure the payment of any book debts of a limited partnership the deposit of the instrument for the purpose of securing an advance to the limited partnership shall not for the purposes of this section be treated as a charge on those book debts.

(7) The holding of debentures entitling the holder to a charge on land shall not for the purposes of this section be deemed to be an interest in land.

(8) In this section and sections 13B to 13N —

“charge” includes mortgage;

“specified” means specified by the Registrar.

Duty of limited partnership to record charges created by limited partnership.

13B.(1) It shall be the duty of a limited partnership to send to the Registrar for recording the particulars of every charge created by the limited partnership but recording of any such charge may be effected on the application of any person interested therein.

(2) Where recording is effected on the application of some person other than the limited partnership, that person shall be entitled to recover from the limited partnership the amount of any fees properly paid by him to the Registrar on the recording.

(3) If any limited partnership makes default in sending to the Registrar for recording the particulars of any charge created by the limited partnership, then, unless the recording has been effected on the application of some other person, the limited partnership and every partner or secretary who is knowingly a party to the default are guilty of offences and are each liable on summary conviction to a fine not exceeding level 2 on the standard scale for every day during which the default continues.

Duty of limited partnership to record charges existing on property acquired.

13C.(1) Subject to sub-section (2), where a limited partnership acquires any property which is subject to a charge of any such kind as would, if it had been created by the limited partnership after the acquisition of the property, have been required to be recorded under section 13B, the limited partnership shall cause the specified particulars of the charge, together with a copy (certified in the specified manner to be a correct copy) of the instrument by which the charge was created or is evidenced, to be delivered to the Registrar for recording in manner required by this Act within twenty-one days after the date on which the acquisition is completed.

(2) If the property is situate and the charge was created outside Gibraltar, twenty-one days after the date on which the copy of the instrument could in due course of post, and if dispatched with due diligence, have been received in Gibraltar shall be substituted for twenty-one days after the completion of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the Registrar.

(3) If default is made in complying with this section, the limited partnership and every partner and secretary of the limited partnership who is in default are guilty of offences and are each liable on summary conviction to a default fine at level 2 on the standard scale.

Register of charges to be kept by Registrar.

13D.(1) The Registrar shall keep, with respect to each limited partnership, a register in the specified form of all the charges requiring to be recorded under section 13B and 13C, and shall, on payment of the prescribed fee, enter in the register with respect to such charges the following particulars:—

- (a) if the charge is a charge created by the limited partnership, the date of its creation, and if the charge was a charge existing on property acquired by the limited partnership, the date of the acquisition of the property; and
- (b) the amount secured by the charge; and
- (c) short particulars of the property charged; and
- (d) the persons entitled to the charge.

(2) The Registrar shall give a certificate of the recording of any charge recorded in pursuance of this section, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of this section as to recording have been complied with.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee.

(4) The Registrar shall keep a chronological index, in the specified form and with the specified particulars, of the charges entered in the register.

Entry of satisfaction.

13E. The Registrar may, on evidence being given to his satisfaction that the debt for which any recorded charge was given has been paid or satisfied,

order that a memorandum of satisfaction be entered on the register, and shall, if required, furnish the limited partnership with a copy thereof.

Recording of enforcement of security.

13F.(1) If any person obtains an order for the appointment of a receiver or manager of the property of a limited partnership, or appoints such a receiver or manager under any powers contained in any instrument, he shall, within seven days from the date of the order or of the appointment under the said powers, give notice of the fact to the Registrar, and the Registrar shall, on payment of the prescribed fee, enter the fact in the register of charges.

(2) Where any person appointed receiver or manager of the property of a limited partnership under the powers contained in any instrument ceases to act as such receiver or manager, he shall, on so ceasing, give the Registrar notice to that effect, and the Registrar shall on payment of the prescribed fee enter the notice in the register of charges.

(3) A person who makes default in complying with the requirements of this section, is guilty of an offence and is liable on summary conviction to a fine of one half of the amount at level 1 on the standard scale for every day during which the default continues.

Copies of instruments creating charges to be kept by limited partnership.

13G. Every limited partnership shall cause a copy of every instrument creating any charge requiring registration under section 13B or 13C to be kept at the registered office of the limited partnership.

Limited partnership's register of charges.

13H.(1) Every limited partnership shall keep at its registered office a register of charges and enter therein all charges specifically affecting property of the limited partnership and all floating charges on the undertaking or any property of the limited partnership, giving in each case a short description of the property charged, the amount of the charge and the names of the persons entitled thereto.

(2) A partner or secretary of the limited partnership who knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this section, is guilty of an offence and is liable on summary conviction to a fine at level 2 on the standard scale.

Inspection of instruments creating charges and register of charges.

13J.(1) The copies of instruments creating any charge requiring to be recorded under sections 13B and 13C with the Registrar, and the register of charges kept in pursuance of section 13H, shall be open during business hours (but subject to such reasonable restrictions as the limited partnership may impose, so that not less than two hours in each day shall be allowed for inspection) to the inspection of any creditor or partner without fee, and the register of charges shall also be open to the inspection of any other person on payment of such reasonable fee as the limited partnership may determine.

(2) If inspection of such copies or register is refused, any officer of the limited partnership refusing inspection, and every partner and secretary of the limited partnership authorising or knowingly and wilfully permitting the refusal, are guilty of offences and are each liable on summary conviction to a fine one half of the amount at level 1 on the standard scale and further fine of one fifth of the amount at level 1 on the standard scale for every day during which the refusal continues.

(3) If any such refusal occurs, the court may by order compel an immediate inspection of the copies or register.

Recording of instruments registered under the Companies Act.

13K. Notwithstanding any other provisions of the Act, if —

- (a) a limited partnership has previously been registered as a company under the Companies Act; and
- (b) charges were registered in respect of that company; and
- (c) at the time of application for registration, in addition to the other documents required to be produced on first registration, there is produced to the Registrar the written consent of every holder of any registered charge,

then on the production of the documents creating those charges they may be recorded in the order of rank, priority and precedence in which they were registered in the register provided for under the Companies Act.

Priority of charges.

13L. Where there are more charges than one recorded in respect of the same limited partnership, the charges shall notwithstanding any express, implied or constructive notice, be entitled in priority between each other according to the date and time at which each charge is recorded in the register and not according to the dates and times of the charges.

Chargees not treated as partner.

13M. Except as far as may be necessary for making the capital of a limited partnership available as a security for the secured debt, the chargee shall not by reason of the recorded charge be deemed a partner, nor shall the charger be deemed to have ceased to be a partner.

Transfer of charge.

13N. A charge recorded under the provisions of this Act may be transferred to any person, and on the production of an instrument of transfer in the specified form the Registrar shall record that instrument in accordance with the provisions of section 13D.

Inspection of statements registered.

(s. 16) 14.(1) Any person may inspect the statements filed by the Registrar in the register office and there shall be paid for such inspection such fees as may be prescribed by rules made under section 15. Any person may require a certificate of the registration of any limited partnership or a copy of or extract from any registered statement to be certified by the Registrar and there shall be paid for such certificate of registration, certified copy or extract such fees as may be prescribed by rules made under section 15.

(2) A certificate of registration or a copy of or extract from any statement registered under this Act if duly certified to be a true copy under the hand of the Registrar or the Deputy Registrar (whom it shall not be necessary to prove to be the Registrar or Deputy Registrar) shall, in all legal proceedings, civil or criminal, and in all cases whatsoever be received in evidence.

Rules.

15. The Minister responsible for finance may make rules concerning any of the following matters–

- (a) the fees to be paid to the Registrar under this Act;
- (b) the duties or additional duties to be performed by the Registrar for the purposes of this Act;
- (c) the performance by the Deputy Registrar of the Supreme Court of acts by this Act required to be done by the Registrar;
- (d) the forms to be used for the purposes of this Act;
- (e) generally the conduct and regulation of registration under this Act and any matters incidental thereto.

Savings, etc.

16.(1) *Revoked.*

(2) Nothing in this Act contained shall be taken or deemed to vary the provisions of the Business Names (Registration) Act.

